

# **UMHLABUYALINGANA MUNICIPALITY**

## **ANNUAL BUDGET 2012/13**

**TO BE TABLED TO COUNCIL ON THE 24 MAY 2012**

**IN THE MUNICIPAL BOARD ROOM**

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## **PART ONE**

### **Mayoral Report**

#### **2012/2013 BUDGET REPORT PRESENTED BY HIS WORSHIP THE MAYOR COUNCILLOR TS MKHOMBO**

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Mr Speaker,  
Deputy Mayor,  
Chairpersons of portfolios,  
The Whips  
The council,  
Municipal Manager and the municipal Officials

I greet you all,

I wish take this opportunity, to present an overview of the Budget and Medium Term Revenue and Expenditure Framework (MTREF) for Umhlabuyalingana Municipality. The Budget and MTREF has been compiled and prepared in terms of Local Government: Municipal Finance Management Act 56 of 2003, circulars and budget formats guides received from National and Provincial Treasuries.

The Umhlabuyalingana Municipality is situated in the far northern KwaZulu Natal next to the Mozambique boarder post. The municipality is 99, 99% rural and that, the communities of Umhlabuyalingana are very poor and the municipal area lack basic infrastructure. In the past couple of years the world economy has gone through recession and the financial commentators are still signalling that recovery is fragile. Have not that been said, the impact of the recession in the rural community has been worse than being imagined, the only bread winners in the families lost their jobs and that resulted to the even more poor families.

“Poor families lead to the poor community then poor provinces and a poor South Africa” the global recession affected the poorest of the poor and since our municipality is situated in the rural areas, our people found themselves in the receiving end. The municipality has the huge backlog in basic service delivery. The management of municipalities (local government) has an important role in strengthening the link between citizens and government overall priorities and spending plan. Our goal should be to enhance and promote service delivery aimed at improving the lives of our people within the municipality.

Budgeting is primarily about the choices the municipality has to make between competing priorities, using the scarce resources to try and satisfy the unlimited number of needs for our community. Umhlabuyalingana municipality has been under administration in the past financial year (2010/2011) and

the new council has inherited the problem and challenges from that era. The current council has completed the projects that were under construction in 2011/12 and the new prioritization of projects has been completed for three financial years.

Our president, in his state of the nation address signalled that government is primarily concerned about the high levels of unemployment, poverty and inequality in our country. To address those concerns 2012/13 has been declared the year of job creation, fighting poverty and reduction of inequality in our communities. The 2012/13 budget and MTREF, the municipality focused on contributing to job creation by:

- ❖ Continuing to implement the interns programme as the FMG funding condition
- ❖ Supporting labour intensive Local Economic Development and capital Projects by employing 600 people
- ❖ Supporting the EPWP project by employing 108 people
- ❖ Supporting the CPWP programme that is targeting to employ 1000 people
- ❖ Support the construction of RDP housing project that will employ our people at Umhlabuyalingana

With the reference to employment creation, provision is made to the following:

- ❖ The council will appointed five interns for two year fixed internship contract
- ❖ R26, 680, 002 from equitable share and municipal surplus funds has been allocated to fund capital projects, whereby the municipality is going to encourage the contractors to make use of local labour
- ❖ All contractors that will be appointed by the municipality for construction of Municipal Infrastructure Projects (MIG), Electrification Project and any other project that will be implemented by municipality will be encouraged to make use of labour intensive methods.

In the 2012/13 budget the municipality has allocated R650, 000 for the Municipal Supplementary Valuation Roll. Currently the municipality is only collecting municipal property rates from businesses, Ingonyama Trust land and government institutions through Public Works. Even though, the municipality is billing on the monthly basis there is still a challenge of debts collection for property rates.

The total budget is **R111, 205, 315** which is made up of the following:

Capital Budget decreased from	R64, 694, 631 million to	R55, 979, 002 million
Operating Budget increased from	R37, 823, 200 million to	R51, 855, 473 million
Contribution to investments	<u>R0 to</u>	<u>R 3, 370, 840 million</u>

**TOTAL** **R102, 517, 831 million to** **R111, 205, 315 million**

The municipal budget has increased by R8, 687, 484 and that is 8% when compared to 2011/12 Budget.

## **CAPITAL REVENUE BUDGET**

The municipal capital budget is made up of the following:

❖ Current year DoRA allocations (2012/13)	-	R29, 299, 000
❖ Contributions from equitable share and surplus funds	-	R26, 680, 002

The current year allocations are as follows:

❖ Equitable Share Grant (funding capital projects)	-	R26, 680, 002
❖ Municipal Infrastructure Grant	-	R24, 149, 000
❖ Integrated Electricity Programme Grant	-	R 5, 000, 000
❖ Sports Ground		<u>R 150, 000</u>
<b>TOTAL CAPITAL REVENUE</b>		<b><u>R55, 979, 002</u></b>

## **OPERATING REVENUE BUDGET**

The municipality is budgeting for operating revenue as follows:

❖ Equitable Share	-	R56, 693, 000
❖ Financial Management Grant	-	R 1,500, 000
❖ Municipal Finance Management Grant	-	R 800, 000
❖ EPWP Grant	-	R 1, 000, 000
❖ Library Subsidy Grant	-	R 1, 573, 000
❖ Community Participation	-	R 200, 000
❖ Own Revenue	-	R 19, 307, 631
❖ Interest Received	-	<u>R 832, 684</u>
		<b><u>R81, 906, 315</u></b>

The total operating expenditure comprises of the following expenditure by type:

❖ Employees related costs	-	R17, 219, 675
❖ General expenses	-	R22, 425, 236
❖ Councillors Remuneration	-	R 7, 346, 063
❖ Repairs and Maintenance	-	R 3, 465, 711
❖ Provisions	-	<u>R 1, 398, 788</u>
		<b><u>R51, 855, 473</u></b>

The total allocation for the development of infrastructure amounts to R52, 764, 002 million which represent 94% of the total capital budget for 2012/13. In the outer years the allocation amount to R52, 660, 300 million, 98% and 47, 621, 650 million, 96% for 2012/14 and 2014/15 respectively. The construction of municipal access road gets the highest allocation that amounts to R25, 364 million, 60% followed by electrification programme by R5 million, 12% followed by sports grounds by R3, 631 million, 9%, followed by other assets by R3, 215 million, 8% and other infrastructure R2, 8 million, 7% then followed by market stalls by 2 million which is 4% of the total capital budget for 2012/13.

Some of the salient projects to be undertaken in 2012/13 budget year includes amongst others are the following:

❖ Hlomula Road	-	R6, 000, 254
❖ Khiphimbazo Road	-	R1, 666, 737
❖ Nsukumbili Road	-	R8, 333, 685
❖ Mabibi Road	-	R4, 029, 767
❖ Manguzi Road	-	R4, 000, 000
❖ Thandizwe Road	-	R5, 333, 559
❖ Mbazwana Town Services	-	R2, 000, 000
❖ Madonela Electrification Project	-	R5, 000, 000
❖ Manguzi Market Stalls	-	R7, 000, 000
❖ Mseleni Sport Ground	-	R2, 350, 000
❖ Zamazama Sport Ground	-	R2, 350, 000
❖ Manguzi & Mbazwana Town Beatification	-	R2, 000, 000
❖ Manaba Sport Ground	-	R 150, 000
❖ Traffic Station	-	R 400, 000
❖ Vehicle Testing Centre	-	R1, 900, 000

❖ Municipal Skips	-	R 250, 000
❖ Other assets	-	R3, 215, 000
<b>TOTAL CAPITAL BUDGET</b>	-	<b>R55, 979, 002</b>

## 2013/2014 CAPITAL PROJECTS

❖ Sodwana Road Speed Humps	-	R 500, 000
❖ Manaba –Mlamula access Road	-	R7, 000, 000
❖ Mbubeni- Majola access Road	-	R6, 000, 000
❖ Zangomeni – Mngomezulu access Road	-	R6, 939, 200
❖ Small Town Rehabilitation	-	R5, 000, 000
❖ Manzengwenya Community Centre	-	R1, 500, 000
❖ Sibhoweni Community Centre	-	R1, 500, 000
❖ Hlokohloko Community Centre	-	R1, 600, 000
❖ Mthonjeni Community Centre	-	R1, 600, 000
❖ Mbazwane Public Toilets	-	R 600, 000
❖ Manguzi Public Toilets	-	R 600, 000
❖ Nyamazana Sports Ground	-	R1, 910, 550
❖ Mboza Sport Ground	-	R1, 910, 550
❖ Electrification Mseleni	-	R9, 000, 000
❖ Electrification Mboza	-	R7, 000, 000
❖ Other assets	-	R1, 235, 950
<b>TOTAL</b>	-	<b>R53, 896, 250</b>



## 2014/15 CAPITAL PROJECTS

❖ Mfihlwani - Mfakubheka	-	R 6, 580, 659
❖ Qongwana access Road	-	R 6, 786, 500
❖ Mvelabusha – Zangomeni	-	R 8, 212, 441
❖ Small Town Beautification	-	R 6, 000, 000
❖ Scabazini Sport Ground	-	R 2, 021, 025
❖ Bhekabantu Sport Ground	-	R 2, 021, 025
❖ Sbhoweni – Ntshongwe	-	R16, 000, 000
❖ <u>Other Assets</u>	-	<u>R 1, 977, 475</u>
<b>TOTAL</b>	-	<b>R49, 599, 125</b>

In conclusion this budget is a reflection, despite the magnitude of basic service delivery backlog in Umhlabuyalingana, of our commitment to ensure that people of uMhlabuyalingana begin to reap the fruits of placing confidence in the government of today. For the first time in this municipality, the current council is going to approve and adopt the budget that is going to fast track the basic service delivery to our community. It is clear that the bulk of this budget has been made available, for the capital projects rather than “soft” and/ or merely office based operations. Once again, in the context of Umhlabuyalingana, we have made a contribution from our equitable share and surplus funds to fund capital projects and also made reserves to increase the municipal working capital. I would like to take this opportunity to congratulate the council, the municipal management for putting together this budget document and also for making sure that the council approves the Three Year Capital Budget for the first time in the history of Umhlabuyalingana.

It shows that there is nothing impossible when we are working together as the council and the management of this municipality, together we can do more.

I thank you,

.....  
**Cllr. TS Mkhombo**

## EXECUTIVE SUMMARY

### 1. Introduction and Consolidated Overview of the Municipal Budget and MTREF

The budget has been prepared, taking into account the content of Municipal Finance Management Act no 56 of 2003, MFMA circular 54, 55, and 58 and budget Format Guide from National Treasury. The sound financial management was applied in compilation of the budget to ensure that the municipality remains financial viable to be able to provide service delivery sustainable, efficiently and impartially to the community of Umhlabuyalingana.

The municipality will embark in the process of rates implementation and to educate the community about the process. The municipality is current grant dependent to provide basic service delivery in the community. The municipality is also embarking in the processes of finding the ways to increase revenue base, the municipality amongst other things has implemented the following other revenues sources:

- ❖ Established Traffic station
- ❖ Municipal Property Rates

The rates implementation is on-going and the traffic testing ground will be officially opened during the year (2012/13), and the municipality will collect some revenue.

The 2012/13 Budget and MTREF was informed by the following:

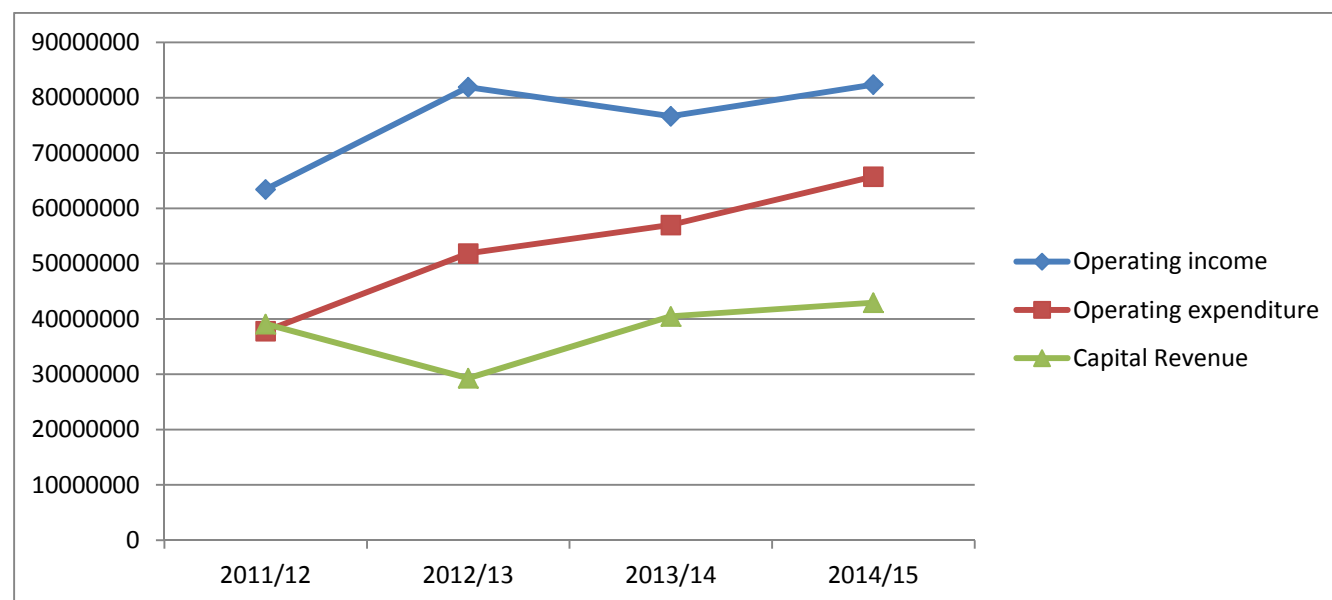
- ❖ 2012/13 budget priorities
- ❖ National and Provincial DoRA gazetted allocations
- ❖ Implementation of municipal property rates

The municipality's main goal is to fast track the service delivery in the community of Umhlabuyalingana but at the same time remain financial viable. An amount of R26, 680, 002 has been put aside for contribution to capital projects and by that trying to reduce the service delivery backlog. The main challenges that the municipality is current facing are summarized as follows

- ❖ Aging and poor access roads
- ❖ Affordability of capital projects: the reduction of electrification programme from R15 million (2011/12 DoRa) to R5 million
- ❖ Slow pace of town formalisation
- ❖ Wage increase and need to feel the critical vacant positions

## 1.1 Consolidated overview of 2012/13 Budget and MTREF

Description	Adjusted Budget 2011/12	Medium Term Revenue and Expenditure Framework		
		Budget 2012/13	Budget 2013/14	Budget 2014/15
<b>Total operating Revenue</b>	R63, 425, 168	R81, 906, 315	R76, 652, 016	R82, 368, 850
<b>Total operating expenditure</b>	R37, 823, 200	R51, 855, 473	R57, 002, 894	R65, 742, 506
<i>Surplus or (Deficit)</i>	<b>R25, 601, 968</b>	<b>R30, 050, 842</b>	<b>R19, 649, 122</b>	<b>R16, 626, 344</b>
<b>Total Capital Revenue</b>	R39, 092, 663	R29, 299, 000	R40, 474, 000	R42, 947, 000
<i>Surplus or Deficit after capital revenue</i>	<b>R64, 694, 631</b>	<b>R59, 349, 842</b>	<b>R60, 123, 122</b>	<b>R59, 573, 344</b>
<b>Total Capital Expenditure</b>	<b>R64, 694, 631</b>	<b>R55, 979, 002</b>	<b>R53, 896, 250</b>	<b>R49, 599, 125</b>
<b>Surplus for the year</b>	<b>Nil</b>	<b>R3, 370, 840</b>	<b>R6, 226, 872</b>	<b>R9, 974, 219</b>



The total municipal revenue has increased from **R102, 517, 831** to **R111, 680, 315** that is **R8, 687, 484** or 8% when it is compared to 2011/12 adjustment budget, the operating expenditure is grown from R37, 823, 200 to R51, 855, 473 that is R14, 032, 273 or 37% when compared to 2011/12 adjustment budget. The capital budget has declined from R64, 694, 631 to R55, 979, 002 that is R8, 715, 629 or 13, 5% when compared to 2011/12 adjustment budget. The population of Umhlabuyalingana is living under poverty and it is essential for the municipality to work on improving the lives of our community by providing the basic service delivery. Every citizen of South Africa has a right to access:

- Drinkable water
- Electricity & Lights
- Roads
- Social Services

## 2. MUNICIPAL REVENUE

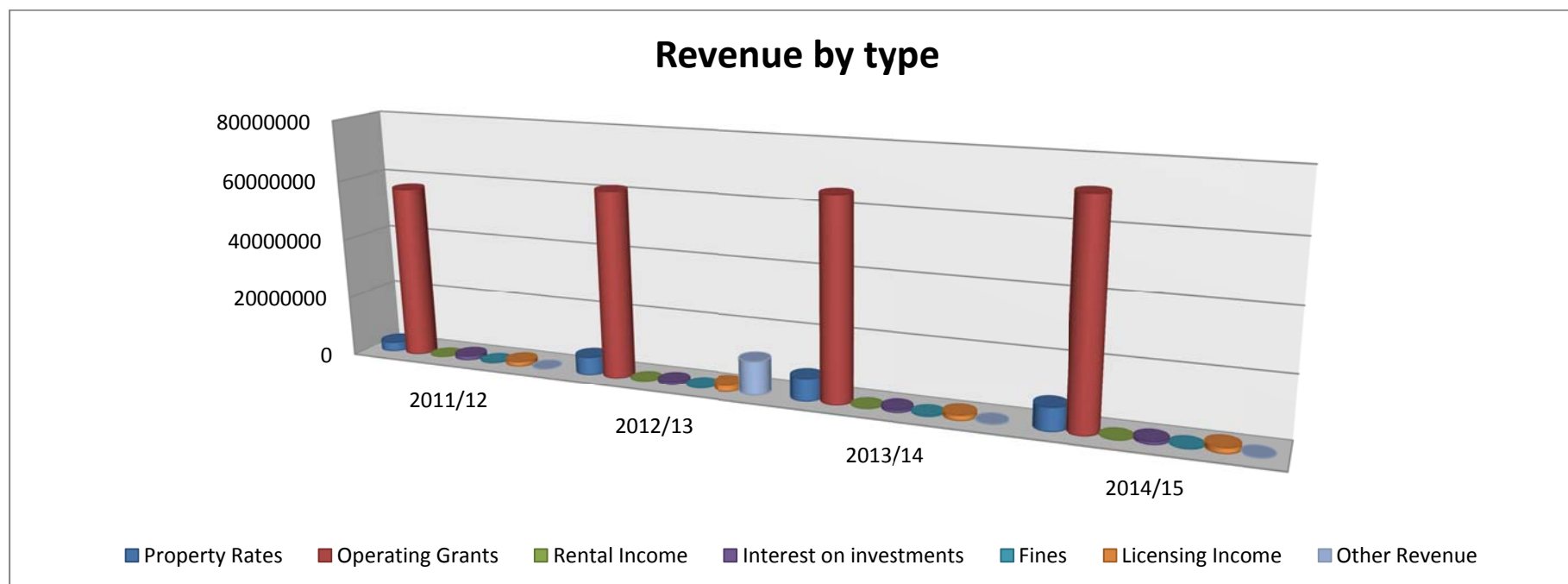
The management of revenue is critical for the financial sustainability of the municipality. The reality is that, the population of Umhlabuyalingana is if faced with high rate of unemployment and poverty. The portion of our budget has been made available to address the issue of unemployment supported by the Department of Public Works. The municipal revenue strategy is built around the following:

- ❖ National Treasury's guidelines and macroeconomic policy
- ❖ Property Rates collection of at least 75% of the annual billing
- ❖ Opening of the Vehicle testing centre, management of traffic fines collection
- ❖ Increasing the collection of long term debtors at least by ¾ by the end of 2012/13 financial year

The table below illustrate the projected revenue by revenue source

**2.1 Summary of revenue classification by revenue source:**

Description	Adjusted Budget 2011/12	Medium Term Revenue and Expenditure Framework		
		Budget 2012/13	Budget 2013/14	Budget 2014/15
Revenue by source				
Property rates	R3, 057, 180	R5, 970, 588	R7, 460, 784	R7, 460, 784
Rental of facilities	R44, 498	R47, 548	R50, 211	R52, 778
Interest earned – external investments	R1, 315, 023	R823, 204	R879, 315	R926, 798
Fines	R160, 000	R168, 000	R177, 408	R186, 784
Licensing & permits	R1, 496, 662	R2, 071, 495	R2, 187, 499	R2, 299, 360
Transfers recognized – operational	R57, 336, 805	R61, 766, 000	R65, 844, 000	R71, 387, 000
Other Revenue	R15, 000	R11, 050, 000	R52, 800	R55, 651
Total revenue (excluding capital transfers and contributions)	R63, 425, 168	R81, 906, 315	R76, 652, 016	R82, 368, 850



The above table is in line with the formats prescribed by the Budget and Reporting Regulations, capital transfers are excluded from the above table. The municipality is currently in the third stage of phasing in of the property rates implementation. It is also evident that the municipality is still having a long way to go. Looking at the above chart it is evident the municipality is still grant dependent. The percentage of revenue collected on grants is R61, 766, 000 or 75% of the total operating revenue. Property Rates is the second contributor by R5, 970, 588 or 7% and the other revenue contributes 18% to the operating income.

It is also noticeable that the operating grants are steadily increasing if comparing different years as shown above. There is a significant increase of R14, 050, 195 million or 17% when comparing 2011/12 adjustment budget and 2014/15 budget year. The table below illustrate the National and Provincial grants as gazetted in DoRa 2012/13.

## 2.2 Operating Transfers and grants receipts

KZN271 Umhlabuyalingana - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
<b>RECEIPTS:</b>	1, 2									
<b>– Operating Transfers and Grants</b>										
<b>National Government:</b>		23,181	31,660	37,700	51,922	52,018	52,018	59,993	64,206	69,370
Local Government Equitable Share		22,196	29,185	35,750	49,682	49,682	49,682	56,693	61,556	66,670
Finance Management		250	1,740	1,200	1,450	1,450	1,450	1,500	1,750	1,750
Municipal Systems Improvement		735	735	750	790	886	886	800	900	950
EPWP Incentive				–				1,000	–	–
<b>Provincial Government:</b>		2,417	138	3,416	3,957	5,319	5,319	1,773	1,638	2,017
Housing		648	48	–	644	644	644	–	–	–
Library Subsidy and Other Grants		1,769	90	3,416	3,313	4,675	4,675	1,773	1,638	2,017
<b>District Municipality:</b>		42	53	–	–	–	–	–	–	–
Other Grants		42	53	–						
<b>Total Operating Transfers and Grants</b>	5	25,640	31,851	41,116	55,879	57,337	57,337	61,766	65,844	71,387
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		3,000	19,807	25,238	51,464	28,908	28,908	29,149	40,474	42,947
Municipal Infrastructure Grant (MIG)		3,000	19,807	16,238	34,464	19,908	19,908	24,149	25,474	26,947
Intergrated Electrification Programme		–	–	9,000	17,000	9,000	9,000	5,000	15,000	16,000
<b>Provincial Government:</b>		1,665	914	6,500	8,132	8,819	8,819	150	–	–
Other Provincial Grants		1,665	914	6,500	8,132	8,819	8,819	150	–	–
<b>District Municipality:</b>		–	–	–	–	1,366	1,366	–	–	–
Corridor Development Grant		–	–	–	–	1,366	1,366	–	–	–
<b>Total Capital Transfers and Grants</b>	5	4,665	20,721	31,738	59,595	39,093	39,093	29,299	40,474	42,947
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		30,305	52,571	72,854	115,474	96,429	96,429	91,065	106,318	114,334

## 2.3 Operating Expenditure Framework

Umhlabuyalingana operating expenditure framework for 2012/13 budget is informed by the following:

- ❖ Asset Renewal and Repairs and maintenance plan
- ❖ Balanced budget (Operating expenditure should not exceed the operating revenue)
- ❖ Operating revenue will be directed to fund capital projects without compromising the financial viability of the municipality
- ❖ Strict principle on budget monitoring and funds allocation, if the project or programme does not have a plan no funding will be allocated to that project.
- ❖ Funding of budget over the medium term as informed by section 18 and 19 of the Municipal Finance Management Act.

The table below is the high level summary of the 2012/13 budget and Medium Term Revenue Expenditure (classified per main type of operating expenditure)

2.3.1. KZN271 Umhlabuyalingana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>	1										
<b>Expenditure By Type</b>	-										
Employee related costs	2	9,856	10,338	10,315	13,673	13,068	13,068	-	17,220	18,636	19,642
Remuneration of councillors		4,538	4,469	4,448	6,881	6,881	6,881		7,346	7,757	8,176
Debt impairment	3	-	-	34	-	-	-		142	149	157
Depreciation & asset impairment	2	1,063	914	7,551	950	1,197	1,197	-	1,257	1,325	1,396
Finance charges	3	-	-	-							
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		1,331	813	234	1,236	736	736	-	3,466	5,548	7,631
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	13,152	11,657	9,073	18,087	15,941	15,941	-	22,425	23,588	28,740
Loss on disposal of PPE		106	-								
<b>Total Expenditure</b>		<b>30,049</b>	<b>28,191</b>	<b>31,655</b>	<b>40,827</b>	<b>37,823</b>	<b>37,823</b>	<b>-</b>	<b>51,855</b>	<b>57,003</b>	<b>65,743</b>



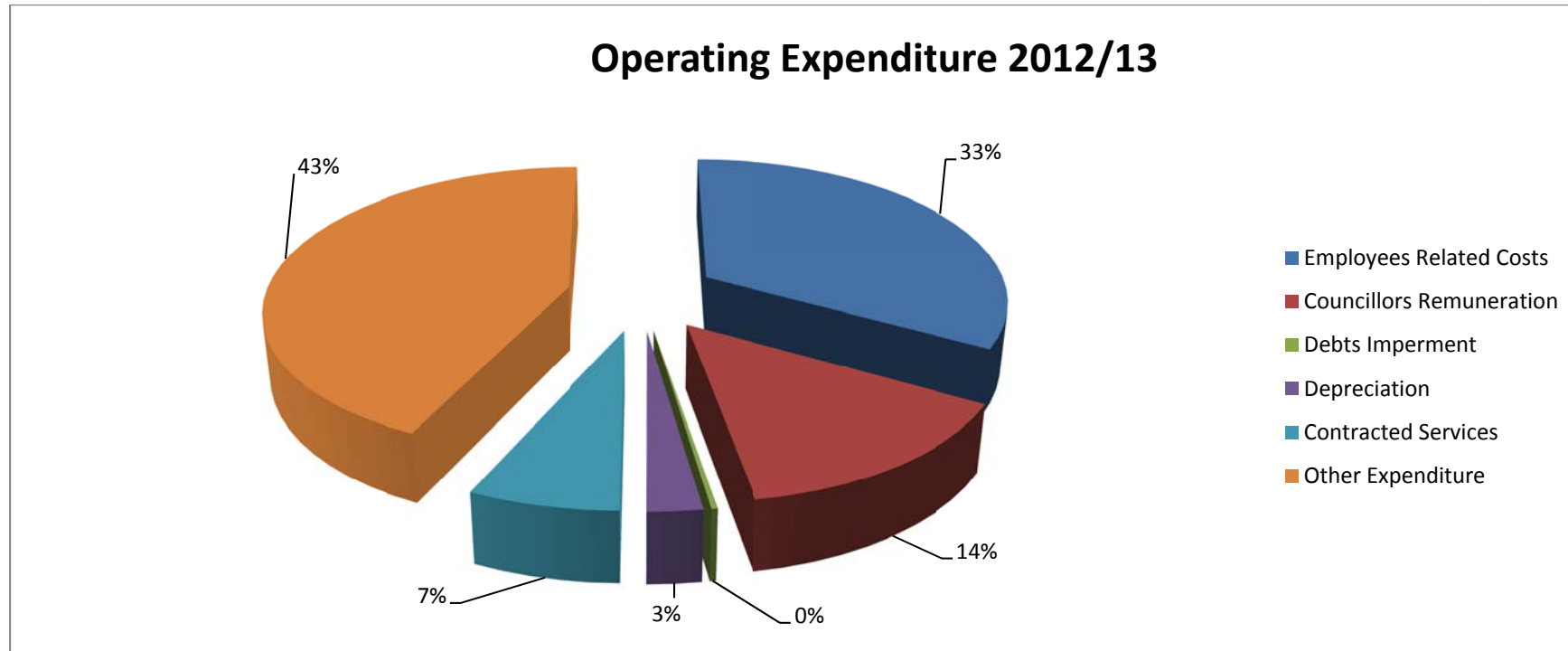
The budgeted employees related cost excluding councillor's remuneration equals to 33% of the total operating budget in 2012/13 budget year. The salary increase for 2012/13 is based on MFMA circular 58 and there are new vacant positions that have been factored in as well. The municipality has reviewed the organogram to reprioritise the costs and as a cash management strategy to shift the expenditure on personnel to capital to try and maximise the service delivery. Even though there are still an on-going negotiations between SALGA and the Unions we believe that the two parties will reach the agreement soon.

The total allocation for other general expenses is estimated at R22, 425, 236 or 43% of the total operating budget but in the same 43% there an amount of R3 million which is 13% of other general expenses is allocated to agricultural projects. An amount of R2, 2 million or 12% increase from previous year has been influence by the significant increase of petrol, food and electricity prices. The cost of living is changing significantly and the smaller municipalities are affected by these changes and increases of the petrol and electricity.

The growth of the councillor's remuneration is determined by Minister of Cooperative Governance and Traditional Affairs but as the municipality we projected an increase at 8% for 2012/13, 5.6% for 2013/14 and 5.4% for 2014/15. The provision for debts impairment was based on the current rate of collection but there still challenges that municipality has in terms of rates collection. The management of the municipality has begun the process of handing over the long outstanding debtors for 2010/2011. An amount of R 100 000.00 has been allocated for debt collectors.

The table below gives a breakdown of the main expenditure categories for 2012/13 budget year.

Description	Budget 2011/12	Budget 2012/13	Budget 2013/14	Budget 2014/15
<b>Employees Related Costs</b>	13, 068, 465	17, 219, 775	18, 635, 832	19, 642, 472
<b>Councillors Remuneration</b>	6, 880, 579	7, 346, 063	7, 757, 443	8, 176, 345
<b>General Expenses</b>	22, 425, 236	23, 587, 781	23, 587, 781	28, 739, 510
<b>Repairs and Maintenance</b>	735, 955	3, 465, 711	5, 547, 516	7, 631, 082
<b>Provisions</b>	1, 332, 179	1, 398, 788	1, 474, 322	1, 553, 936
<b>TOTAL</b>	<b>37, 823, 200</b>	<b>51, 855, 473</b>	<b>57, 002, 894</b>	<b>65, 742, 506</b>



Main operational expenditure categories for 2012/13 budget year

### 2.3.2. Repairs and maintenance

The repairs and maintenance has been informed by the aging municipal infrastructure and historic deferred maintenance. For so many year the municipal infrastructure has been increasing but without a proper maintenance plan in place. For that reason, the municipality decided to increase the allocation of repairs and maintenance by 79% when compared to 2011/12 budget year. The maintenance of municipal infrastructure has been long overdue, by that the municipality is committed to increase the allocation to repairs and maintenance for the next three years.

Table A and B below illustrates the operating repairs and maintenance projected over a three year period.

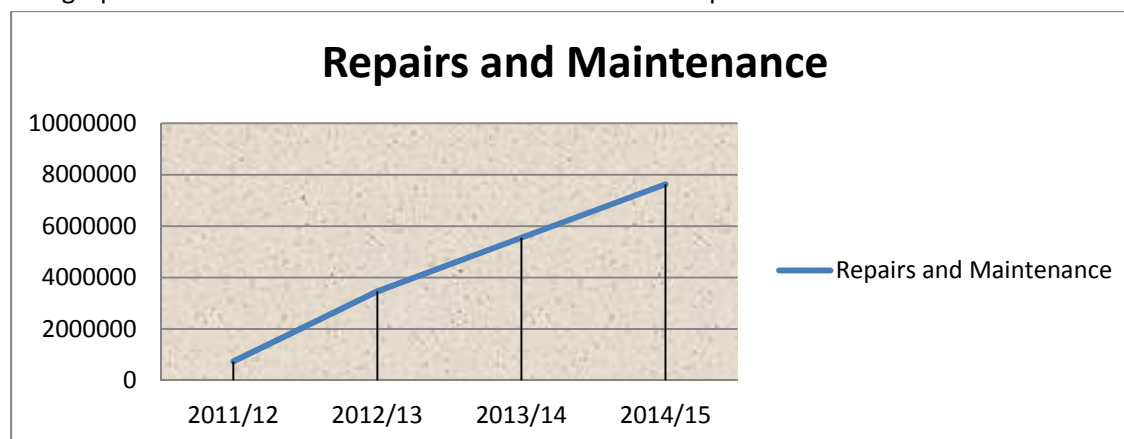
**Table A: Repairs and Maintenance by main source**

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services		1,331	813	234	1,236	736	736		3,466	5,548	7,631
Other Expenditure											
<b>Total Repairs and Maintenance Expenditure</b>	9	1,331	813	234	1,236	736	736	–	3,466	5,548	7,631

**Table B: Repairs and Maintenance per asset class**

Description  R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
–										
Roads, Pavements & Bridges		482	354					2,000	4,000	6,000
Infrastructure - Electricity		–	–	–	300	–	–	–	–	–
Infrastructure - Other		–	22	–	–	–	–	399	421	444
Community halls								60	63	67
General vehicles		420	127	78	180	180	180	230	243	256
Computers - hardware/equipment		1	41	41	100	50	50	50	53	56
Other Buildings		59	157	53	170	170	170	262	277	292
Other		369	110	35	200	150	150	150	158	167
<u>Intangibles</u>		–	–	27	286	186	186	315	332	350
Computers - software & programming				27	286	186	186	315	332	350
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>1,331</b>	<b>813</b>	<b>234</b>	<b>1,236</b>	<b>736</b>	<b>736</b>	<b>3,466</b>	<b>5,548</b>	<b>7,631</b>

The graph below shows the increase of the allocation to repairs and maintenance for the next three year.



### 3. Capital Expenditure

The table below provide the breakdown of budgeted capital expenditure by municipal vote, standard classification and funding

KZN271 Umhlabuyalingana - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

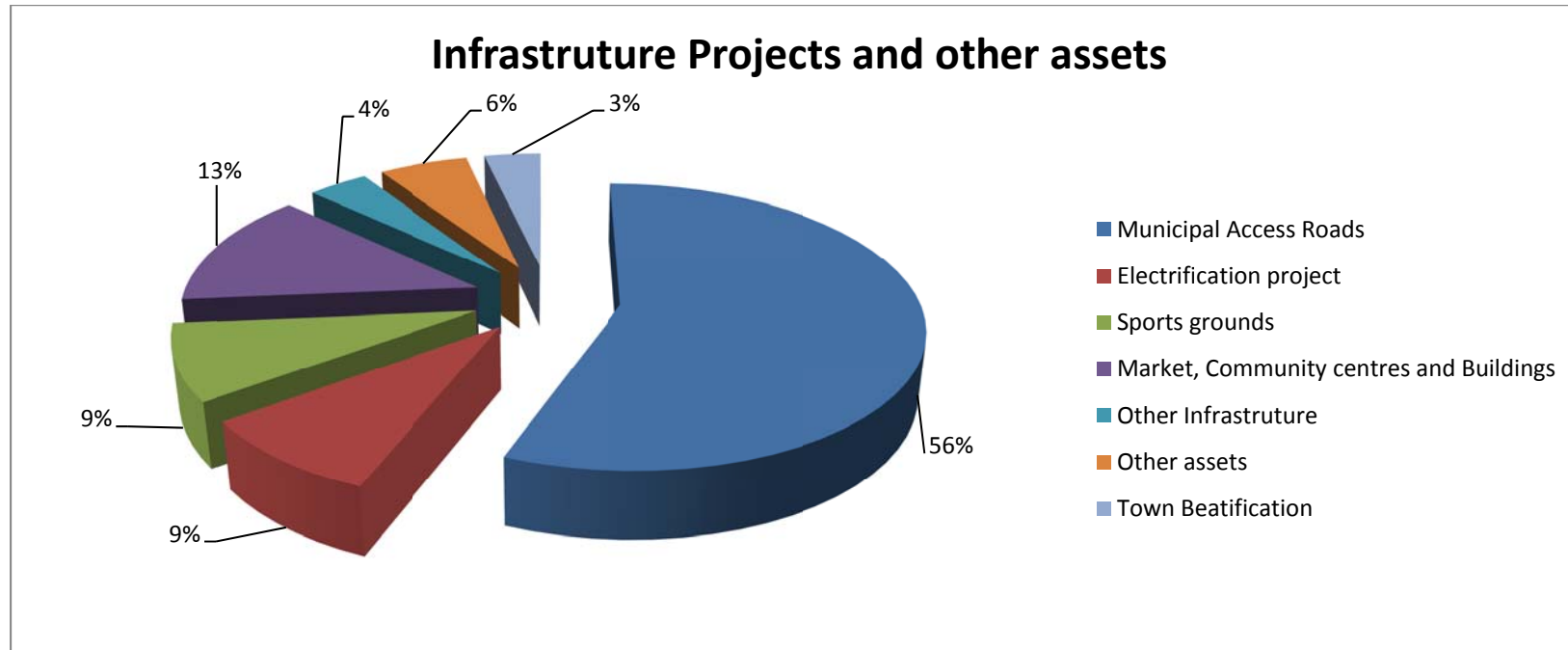
Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>											
Vote 4 - Planning and Development	2	-	-	-	39,536	45,851	45,851	-	11,000	-	-
Capital multi-year expenditure sub-total	7	-	-	-	39,536	45,851	45,851	-	11,000	-	-
<b>Single-year expenditure to be appropriated</b>											
Vote 2 - Budget and Treasury	2	437	95	1,823	1,654	1,529	1,529	-	2,565	1,000	1,727
Vote 3 - Corporate and Community Department		-	-	-	270	1,042	1,042	-	550	236	250
Vote 4 - Planning and Development		7,499	23,066	8,262	31,667	16,273	16,273	-	41,864	52,660	47,622
Capital single-year expenditure sub-total		7,937	23,161	10,085	33,591	18,844	18,844	-	44,979	53,896	49,599
<b>Total Capital Expenditure - Vote</b>		7,937	23,161	10,085	73,127	64,695	64,695	-	55,979	53,896	49,599
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		437	95	1,823	1,654	1,679	1,679	-	2,915	1,000	1,727
Budget and treasury office		437	95	1,823	1,654	1,529	1,529		2,915	1,000	1,727
Corporate services						150	150				
<b>Community and public safety</b>		-	-	-	270	892	892	-	550	236	250
Community and social services					270	892	892		550	236	250
<b>Economic and environmental services</b>		7,499	23,066	8,262	71,203	62,124	62,124	-	52,514	52,660	47,622
Planning and development		7,499	23,066	8,262	71,203	62,124	62,124		52,514	52,660	47,622
<b>Total Capital Expenditure - Standard</b>	3	7,937	23,161	10,085	73,127	64,695	64,695	-	55,979	53,896	49,599
<b>Funded by:</b>											
National Government		6,271	23,161	8,669	51,464	29,608	29,608		44,829	40,474	42,947
Provincial Government		1,665	-	761	8,132	9,485	9,485		150	-	-
Transfers recognised - capital	4	7,937	23,161	9,431	59,595	39,093	39,093	-	44,979	40,474	42,947
Internally generated funds				654	13,532	25,602	25,602		11,000	13,422	6,652
<b>Total Capital Funding</b>	7	7,937	23,161	10,085	73,127	64,695	64,695	-	55,979	53,896	49,599

The total allocation for the development of infrastructure amounts to R52, 764, 002 million which represent 94% of the total capital budget for 2012/13. In the outer years the allocation amount to R52, 660, 300 million, 98% and 47, 621, 650 million, 96% for 2012/14 and 2014/15 respectively. The construction of municipal access road gets the highest allocation that amounts to R25, 364 million, 60% followed by electrification programme by R5 million, 12% followed by sports grounds by R3, 631 million, 9%, followed by other assets by R3, 215 million, 8% and other infrastructure R2, 8 million, 7% then followed by market stalls by 2 million which is 4% of the total capital budget for 2012/13.

Some of the salient projects to be undertaken in 2012/13 budget year includes amongst others are the following:

❖ Hlomula Road	-	R6, 000, 254
❖ Khiphimbazo Road	-	R1, 666, 737
❖ Nsukumbili Road	-	R8, 333, 685
❖ Mabibi Road	-	R4, 029, 767
❖ Manguzi Road	-	R4, 000, 000
❖ Thandizwe Road	-	R5, 333, 559
❖ Mbazwana Town Services	-	R2, 000, 000
❖ Madonela Electrification Project	-	R5, 000, 000
❖ Manguzi Market Stalls	-	R7, 000, 000
❖ Mseleni Sport Ground	-	R2, 350, 000
❖ Zamazama Sport Ground	-	R2, 350, 000
❖ Manguzi & Mbazwana Town Beatification	-	R2, 000, 000
❖ Manaba Sport Ground	-	R150, 000
❖ Traffic Station	-	R400, 00
❖ Vehicle Testing Centre	-	R1, 900, 000
❖ Municipal Skips	-	R250, 000
❖ Other assets	-	R3, 215, 000
<b>TOTAL CAPITAL BUDGET</b>	<b>-</b>	<b>R55, 979, 002</b>

The following graph below provides the breakdown of capital budget allocated to infrastructural projects and other assets for 2012/13:



### 3.1. Annual Budget Table for Umhlabuyalingana municipality represent the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations.

#### 3.1.1 KZN271 Umhlabuyalingana - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Financial Performance</b>										
Property rates	-	-	1,653	1,030	3,057	3,057	-	5,971	7,461	7,461
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	149	275	974	790	1,315	1,315	-	833	879	927
Transfers recognised - operational	25,391	31,143	39,714	55,879	57,337	57,337	-	61,766	65,844	71,387
Other own revenue	573	1,523	2,140	1,713	1,716	1,716	-	13,337	2,468	2,594
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>26,112</b>	<b>32,942</b>	<b>44,481</b>	<b>59,412</b>	<b>63,425</b>	<b>63,425</b>	<b>-</b>	<b>81,906</b>	<b>76,652</b>	<b>82,369</b>
Employee costs	9,856	10,338	10,315	13,673	13,068	13,068	-	17,220	18,636	19,642
Remuneration of councillors	4,538	4,469	4,448	6,881	6,881	6,881	-	7,346	7,757	8,176
Depreciation & asset impairment	1,063	914	7,551	950	1,197	1,197	-	1,257	1,325	1,396
Finance charges	3	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	14,590	12,470	9,341	19,323	16,677	16,677	-	26,033	29,285	36,528
<b>Total Expenditure</b>	<b>30,049</b>	<b>28,191</b>	<b>31,655</b>	<b>40,827</b>	<b>37,823</b>	<b>37,823</b>	<b>-</b>	<b>51,855</b>	<b>57,003</b>	<b>65,743</b>
<b>Surplus/(Deficit)</b>	<b>(3,937)</b>	<b>4,751</b>	<b>12,825</b>	<b>18,585</b>	<b>25,602</b>	<b>25,602</b>	<b>-</b>	<b>30,051</b>	<b>19,649</b>	<b>16,626</b>
Transfers recognised - capital	7,937	23,131	9,431	59,595	39,093	39,093	-	29,299	40,474	42,947
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4,000</b>	<b>27,881</b>	<b>22,256</b>	<b>78,180</b>	<b>64,695</b>	<b>64,695</b>	<b>-</b>	<b>59,350</b>	<b>60,123</b>	<b>59,573</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>4,000</b>	<b>27,881</b>	<b>22,256</b>	<b>78,180</b>	<b>64,695</b>	<b>64,695</b>	<b>-</b>	<b>59,350</b>	<b>60,123</b>	<b>59,573</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>7,937</b>	<b>23,161</b>	<b>10,085</b>	<b>73,127</b>	<b>64,695</b>	<b>64,695</b>	<b>-</b>	<b>55,979</b>	<b>53,896</b>	<b>49,599</b>
Transfers recognised - capital	7,937	23,161	9,431	59,595	39,093	39,093	-	44,979	40,474	42,947
Public contributions & donations	-	-	-	-	-	-	-	-	-	-



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Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	654	13,532	25,602	25,602	-	11,000	13,422	6,652
<b>Total sources of capital funds</b>	<b>7,937</b>	<b>23,161</b>	<b>10,085</b>	<b>73,127</b>	<b>64,695</b>	<b>64,695</b>	<b>-</b>	<b>55,979</b>	<b>53,896</b>	<b>49,599</b>
<b><u>Financial position</u></b>										
Total current assets	1,470	10,563	57,478	6,002	57,093	57,093	-	5,650	11,463	21,437
Total non current assets	51,907	72,119	68,937	73,127	64,695	64,695	-	55,222	53,021	48,679
Total current liabilities	10,843	12,107	42,882	950	37,698	37,698	-	7,651	5,578	4,372
Total non current liabilities	-	-	195	-	-	-	-	-	-	-
Community wealth/Equity	42,535	70,575	83,337	78,180	84,089	84,089	-	53,221	58,907	65,743
<b><u>Cash flows</u></b>										
Net cash from (used) operating	4,000	27,881	61,887	78,180	66,912	66,912	-	50,104	65,247	70,637
Net cash from (used) investing	(7,214)	(21,716)	(8,239)	(73,127)	(64,695)	(64,695)	-	(42,010)	(41,710)	(44,924)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(1,360)</b>	<b>4,805</b>	<b>58,454</b>	<b>5,052</b>	<b>57,113</b>	<b>57,113</b>	<b>54,895</b>	<b>66,605</b>	<b>90,143</b>	<b>115,855</b>
<b><u>Cash backing/surplus reconciliation</u></b>										
Cash and investments available	(846)	8,393	54,895	6,002	57,093	57,093	-	4,157	9,598	19,572
Application of cash and investments	7,909	9,027	37,888	-	36,366	36,366	-	4,157	477	(804)
<b>Balance - surplus (shortfall)</b>	<b>(8,755)</b>	<b>(634)</b>	<b>17,007</b>	<b>6,002</b>	<b>20,727</b>	<b>20,727</b>	<b>-</b>	<b>(0)</b>	<b>9,121</b>	<b>20,376</b>
<b><u>Asset management</u></b>										
Asset register summary (WDV)	51,343	71,566	255	73,127	64,695	64,695	55,979	55,979	53,896	49,599
Depreciation & asset impairment	1,063	914	7,551	950	1,197	1,197	1,257	1,257	1,325	1,396
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	1,331	813	234	1,236	736	736	3,466	3,466	5,548	7,631
<b><u>Free services</u></b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b><u>Households below minimum service level</u></b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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3.1.2 KZN271 Umhlabuyalingana - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		23,804	31,347	41,744	53,798	57,011	57,011	65,890	72,646	77,862
Executive and council		22,888	29,838	36,428	49,682	49,682	49,682	56,693	61,556	66,670
Budget and treasury office		853	1,508	5,316	4,116	7,329	7,329	9,197	11,090	11,192
Corporate services		62	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		493	1,861	2,213	3,170	3,527	3,527	3,816	3,807	4,007
Community and social services		493	1,861	2,213	3,170	3,527	3,527	3,816	3,807	4,007
<i>Economic and environmental services</i>		9,752	22,865	9,954	62,039	41,980	41,980	41,499	40,674	43,447
Planning and development		9,752	22,865	9,954	62,039	41,980	41,980	41,499	40,674	43,447
<b>Total Revenue - Standard</b>	2	34,049	56,072	53,911	119,007	102,518	102,518	111,205	117,126	125,316
<b>Expenditure - Standard</b>	-									
<i>Governance and administration</i>		19,865	20,725	24,396	25,607	23,931	23,931	29,012	30,634	34,880
Executive and council		11,755	12,925	9,284	12,096	12,090	12,090	14,571	15,387	16,218
Budget and treasury office		5,481	5,181	10,513	6,083	5,709	5,709	7,632	8,056	10,750
Corporate services		2,630	2,619	4,599	7,428	6,132	6,132	6,809	7,190	7,912
<i>Community and public safety</i>		4,477	4,453	4,267	7,102	7,075	7,075	10,088	10,653	10,894
Community and social services		4,477	4,453	4,267	7,102	7,075	7,075	10,088	10,653	10,894
<i>Economic and environmental services</i>		5,707	3,013	2,992	8,119	6,818	6,818	12,755	15,716	19,968
Planning and development		5,707	3,013	2,992	8,119	6,818	6,818	12,755	15,716	19,968
<b>Total Expenditure - Standard</b>	3	30,049	28,191	31,655	40,827	37,823	37,823	51,855	57,003	65,743
<b>Surplus/(Deficit) for the year</b>		4,000	27,881	22,256	78,180	64,695	64,695	59,350	60,123	59,573

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3.1.3 KZN271 Umhlabuyalingana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description  R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b><u>Revenue by Vote</u></b>	1									
Vote 1 - Council and Executive		22,888	29,838	36,428	49,682	49,682	49,682	56,693	61,556	66,670
Vote 2 - Budget and Treasury		853	1,508	5,316	4,116	7,329	7,329	9,197	11,090	11,192
Vote 3 - Corporate and Community Department		555	1,861	2,213	3,170	3,527	3,527	3,816	3,807	4,007
Vote 4 - Planning and Development		9,752	22,865	9,954	62,039	41,980	41,980	41,499	40,674	43,447
<b>Total Revenue by Vote</b>	2	<b>34,049</b>	<b>56,072</b>	<b>53,911</b>	<b>119,007</b>	<b>102,518</b>	<b>102,518</b>	<b>111,205</b>	<b>117,126</b>	<b>125,316</b>
<b><u>Expenditure by Vote to be appropriated</u></b>	1									
Vote 1 - Council and Executive		11,755	12,925	9,284	12,096	12,090	12,090	14,571	15,387	16,218
Vote 2 - Budget and Treasury		5,481	5,181	10,513	6,083	5,709	5,709	7,632	8,056	10,750
Vote 3 - Corporate and Community Department		7,107	7,072	8,866	14,530	13,207	13,207	16,897	17,843	18,806
Vote 4 - Planning and Development		5,707	3,013	2,992	8,119	6,818	6,818	12,755	15,716	19,968
<b>Total Expenditure by Vote</b>	2	<b>30,049</b>	<b>28,191</b>	<b>31,655</b>	<b>40,827</b>	<b>37,823</b>	<b>37,823</b>	<b>51,855</b>	<b>57,003</b>	<b>65,743</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>4,000</b>	<b>27,881</b>	<b>22,256</b>	<b>78,180</b>	<b>64,695</b>	<b>64,695</b>	<b>59,350</b>	<b>60,123</b>	<b>59,573</b>

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3.1.4 KZN271 Umhlabuyalingana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	–	–	1,653	1,030	3,057	3,057	–	5,971	7,461	7,461
Rental of facilities and equipment		51	53	33	41	41	41		48	50	53
Interest earned - external investments		149	275	974	790	1,315	1,315		833	879	927
Fines		26	49	42	160	160	160		168	177	186
Licences and permits		400	1,246	1,084	1,497	1,497	1,497		2,071	2,187	2,299
Transfers recognised - operational		25,391	31,143	39,714	55,879	57,337	57,337		61,766	65,844	71,387
Other revenue	2	96	175	981	15	18	18	–	11,050	53	56
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>26,112</b>	<b>32,942</b>	<b>44,481</b>	<b>59,412</b>	<b>63,425</b>	<b>63,425</b>	<b>–</b>	<b>81,906</b>	<b>76,652</b>	<b>82,369</b>
<b>Expenditure By Type</b>											
Employee related costs	2	9,856	10,338	10,315	13,673	13,068	13,068	–	17,220	18,636	19,642
Remuneration of councillors		4,538	4,469	4,448	6,881	6,881	6,881		7,346	7,757	8,176
Debt impairment	3	–	–	34	–	–	–		142	149	157
Depreciation & asset impairment	2	1,063	914	7,551	950	1,197	1,197	–	1,257	1,325	1,396
Finance charges		3	–	–							
Contracted services		1,331	813	234	1,236	736	736	–	3,466	5,548	7,631
Other expenditure	4, 5	13,152	11,657	9,073	18,087	15,941	15,941	–	22,425	23,588	28,740
Loss on disposal of PPE		106	–								
<b>Total Expenditure</b>		<b>30,049</b>	<b>28,191</b>	<b>31,655</b>	<b>40,827</b>	<b>37,823</b>	<b>37,823</b>	<b>–</b>	<b>51,855</b>	<b>57,003</b>	<b>65,743</b>
<b>Surplus/(Deficit)</b>		<b>(3,937)</b>	<b>4,751</b>	<b>12,825</b>	<b>18,585</b>	<b>25,602</b>	<b>25,602</b>	<b>–</b>	<b>30,051</b>	<b>19,649</b>	<b>16,626</b>
Transfers recognised - capital		7,937	23,131	9,431	59,595	39,093	39,093		29,299	40,474	42,947
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>4,000</b>	<b>27,881</b>	<b>22,256</b>	<b>78,180</b>	<b>64,695</b>	<b>64,695</b>	<b>–</b>	<b>59,350</b>	<b>60,123</b>	<b>59,573</b>
<b>Surplus/(Deficit) after taxation</b>		<b>4,000</b>	<b>27,881</b>	<b>22,256</b>	<b>78,180</b>	<b>64,695</b>	<b>64,695</b>	<b>–</b>	<b>59,350</b>	<b>60,123</b>	<b>59,573</b>
<b>Surplus/(Deficit) attributable to municipality</b>		<b>4,000</b>	<b>27,881</b>	<b>22,256</b>	<b>78,180</b>	<b>64,695</b>	<b>64,695</b>	<b>–</b>	<b>59,350</b>	<b>60,123</b>	<b>59,573</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>4,000</b>	<b>27,881</b>	<b>22,256</b>	<b>78,180</b>	<b>64,695</b>	<b>64,695</b>	<b>–</b>	<b>59,350</b>	<b>60,123</b>	<b>59,573</b>

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3.1.5 KZN271 Umhlabuyalingana - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description  R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>											
Vote 4 - Planning and Development	2	-	-	-	39,536	45,851	45,851	-	11,000	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	39,536	45,851	45,851	-	11,000	-	-
<b>Single-year expenditure to be appropriated</b>											
Vote 2 - Budget and Treasury	2	437	95	1,823	1,654	1,529	1,529	-	2,565	1,000	1,727
Vote 3 - Corporate and Community Department		-	-	-	270	1,042	1,042	-	550	236	250
Vote 4 - Planning and Development		7,499	23,066	8,262	31,667	16,273	16,273	-	41,864	52,660	47,622
<b>Capital single-year expenditure sub-total</b>		7,937	23,161	10,085	33,591	18,844	18,844	-	44,979	53,896	49,599
<b>Total Capital Expenditure - Vote</b>		7,937	23,161	10,085	73,127	64,695	64,695	-	55,979	53,896	49,599
<b>Capital Expenditure - Standard</b>											
<i>Governance and administration</i>		437	95	1,823	1,654	1,679	1,679	-	2,915	1,000	1,727
Budget and treasury office		437	95	1,823	1,654	1,529	1,529		2,915	1,000	1,727
Corporate services						150	150				
<i>Community and public safety</i>		-	-	-	270	892	892	-	550	236	250
Community and social services					270	892	892		550	236	250
<i>Economic and environmental services</i>		7,499	23,066	8,262	71,203	62,124	62,124	-	52,514	52,660	47,622
Planning and development		7,499	23,066	8,262	71,203	62,124	62,124		52,514	52,660	47,622
<b>Total Capital Expenditure - Standard</b>	3	7,937	23,161	10,085	73,127	64,695	64,695	-	55,979	53,896	49,599
<b>Funded by:</b>											
National Government		6,271	23,161	8,669	51,464	29,608	29,608		44,829	40,474	42,947
Provincial Government		1,665	-	761	8,132	9,485	9,485		150	-	-
Transfers recognised - capital	4	7,937	23,161	9,431	59,595	39,093	39,093	-	44,979	40,474	42,947
Internally generated funds				654	13,532	25,602	25,602		11,000	13,422	6,652
<b>Total Capital Funding</b>	7	7,937	23,161	10,085	73,127	64,695	64,695	-	55,979	53,896	49,599

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3.1.6 KZN271 Umhlabuyalingana - Table A6 Budgeted Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>											
<b>ASSETS</b>											
Current assets											
Cash		87	8,393	41,736		55,760	55,760		786		
Call investment deposits	1	–	–	13,160	6,002	1,332	1,332	–	3,371	9,598	19,572
Other debtors		1,383	2,170	2,583					1,493	1,865	1,865
<b>Total current assets</b>		<b>1,470</b>	<b>10,563</b>	<b>57,478</b>	<b>6,002</b>	<b>57,093</b>	<b>57,093</b>	<b>–</b>	<b>5,650</b>	<b>11,463</b>	<b>21,437</b>
Non current assets											
Property, plant and equipment	3	51,343	71,566	68,681	73,127	64,695	64,695	–	54,722	52,571	48,203
Intangible				255					500	450	476
Other non-current assets		564	552								
<b>Total non current assets</b>		<b>51,907</b>	<b>72,119</b>	<b>68,937</b>	<b>73,127</b>	<b>64,695</b>	<b>64,695</b>	<b>–</b>	<b>55,222</b>	<b>53,021</b>	<b>48,679</b>
<b>TOTAL ASSETS</b>		<b>53,377</b>	<b>82,682</b>	<b>126,414</b>	<b>79,130</b>	<b>121,787</b>	<b>121,787</b>	<b>–</b>	<b>60,872</b>	<b>64,484</b>	<b>70,116</b>
<b>LIABILITIES</b>											
Current liabilities											
Bank overdraft	- 1	933	–	–							
Trade and other payables	4	9,292	11,196	40,028	–	36,366	36,366	–	4,759	2,238	953
Provisions		618	911	2,854	950	1,332	1,332		2,891	3,340	3,419
<b>Total current liabilities</b>		<b>10,843</b>	<b>12,107</b>	<b>42,882</b>	<b>950</b>	<b>37,698</b>	<b>37,698</b>	<b>–</b>	<b>7,651</b>	<b>5,578</b>	<b>4,372</b>
Non current liabilities											
Borrowing		–	–	195	–	–	–	–	–	–	–
<b>Total non current liabilities</b>		<b>–</b>	<b>–</b>	<b>195</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>		<b>10,843</b>	<b>12,107</b>	<b>43,077</b>	<b>950</b>	<b>37,698</b>	<b>37,698</b>	<b>–</b>	<b>7,651</b>	<b>5,578</b>	<b>4,372</b>
<b>NET ASSETS</b>	5	<b>42,535</b>	<b>70,575</b>	<b>83,337</b>	<b>78,180</b>	<b>84,089</b>	<b>84,089</b>	<b>–</b>	<b>53,221</b>	<b>58,907</b>	<b>65,743</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		42,535	70,575	83,337	78,180	84,089	84,089		53,221	58,907	65,743
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>42,535</b>	<b>70,575</b>	<b>83,337</b>	<b>78,180</b>	<b>84,089</b>	<b>84,089</b>	<b>–</b>	<b>53,221</b>	<b>58,907</b>	<b>65,743</b>

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3.1.7. KZN271 Umhlabuyalingana - Table A7 Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
Receipts											
Ratepayers and other		573	1,522	3,143	2,743	4,773	4,773		7,783	9,374	9,472
Government - operating	1	25,391	31,144	41,116	55,879	57,337	57,337		61,766	65,844	71,387
Government - capital	1	7,937	23,131	31,738	59,595	39,093	39,093		29,299	40,474	42,947
Interest		149	275	974	790	1,315	1,315		833	880	927
Dividends		-	-	-	-	-	-		-	-	-
Payments											
Suppliers and employees		(30,047)	(28,191)	(15,084)	(40,827)	(35,606)	(35,606)		(49,576)	(51,324)	(54,096)
Finance charges		(3)	-	-	-	-	-		-	-	-
Transfers and Grants	1	-	-	-	-	-	-		-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>4,000</b>	<b>27,881</b>	<b>61,887</b>	<b>78,180</b>	<b>66,912</b>	<b>66,912</b>	<b>-</b>	<b>50,104</b>	<b>65,247</b>	<b>70,637</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Receipts											
Proceeds on disposal of PPE		204	-								
Decrease (Increase) in non-current debtors											
Payments											
Capital assets		(7,418)	(21,716)	(8,239)	(73,127)	(64,695)	(64,695)		(42,010)	(41,710)	(44,924)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(7,214)</b>	<b>(21,716)</b>	<b>(8,239)</b>	<b>(73,127)</b>	<b>(64,695)</b>	<b>(64,695)</b>	<b>-</b>	<b>(42,010)</b>	<b>(41,710)</b>	<b>(44,924)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Receipts											
Short term loans											
Payments											
Repayment of borrowing											
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(3,215)</b>	<b>6,165</b>	<b>53,649</b>	<b>5,052</b>	<b>2,217</b>	<b>2,217</b>	<b>-</b>	<b>8,094</b>	<b>23,537</b>	<b>25,712</b>
Cash/cash equivalents at the year begin:	2	1,855	(1,360)	4,805	-	54,895	54,895	54,895	58,511	66,605	90,143
Cash/cash equivalents at the year end:	2	(1,360)	4,805	58,454	5,052	57,113	57,113	54,895	66,605	90,143	115,855

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3.1.8 KZN271 Umhlabuyalingana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description  R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b><u>Cash and investments available</u></b>											
Cash/cash equivalents at the year end	1	(1,360)	4,805	58,454	5,052	57,113	57,113	54,895	66,605	90,143	115,855
Other current investments > 90 days		514	3,588	(3,558)	950	(20)	(20)	(54,895)	(62,448)	(80,545)	(96,283)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>(846)</b>	<b>8,393</b>	<b>54,895</b>	<b>6,002</b>	<b>57,093</b>	<b>57,093</b>	<b>-</b>	<b>4,157</b>	<b>9,598</b>	<b>19,572</b>
<b><u>Application of cash and investments</u></b>											
Unspent conditional transfers		7,635	5,989	32,038	-	36,366	36,366	-	4,759	2,238	953
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	274	3,038	5,850	-	-	-	-	(602)	(1,761)	(1,757)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>7,909</b>	<b>9,027</b>	<b>37,888</b>	<b>-</b>	<b>36,366</b>	<b>36,366</b>	<b>-</b>	<b>4,157</b>	<b>477</b>	<b>(804)</b>
<b>Surplus(shortfall)</b>		<b>(8,755)</b>	<b>(634)</b>	<b>17,007</b>	<b>6,002</b>	<b>20,727</b>	<b>20,727</b>	<b>-</b>	<b>(0)</b>	<b>9,121</b>	<b>20,376</b>



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3.1.9 KZN271 Umhlabuyalingana - Table A9 Asset Management

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<u>Total New Assets</u>	1	7,937	23,161	10,085	73,127	64,695	64,695	55,979	53,896	49,599
Infrastructure - Road transport		5,343	10,267	8,262	16,557	10,926	10,926	31,364	21,439	21,580
Infrastructure - Electricity		-	-	-	17,000	9,337	9,337	5,000	15,000	16,000
Infrastructure - Other		1,086	-	-	18,487	24,323	24,323	3,900	-	-
Infrastructure		6,428	10,267	8,262	52,044	44,586	44,586	40,264	36,439	37,580
Community		-	409	-	4,386	3,039	3,039	11,850	16,221	10,042
Other assets	6	1,508	12,484	1,823	16,697	17,070	17,070	3,365	786	1,502
Intangibles		-	-	-	-	-	-	500	450	476
<u>Total Capital Expenditure</u>	4									
Infrastructure - Road transport		5,343	10,267	8,262	16,557	10,926	10,926	31,364	21,439	21,580
Infrastructure - Electricity		-	-	-	17,000	9,337	9,337	5,000	15,000	16,000
Infrastructure - Other		1,086	-	-	18,487	24,323	24,323	3,900	-	-
Infrastructure		6,428	10,267	8,262	52,044	44,586	44,586	40,264	36,439	37,580
Community		-	409	-	4,386	3,039	3,039	11,850	16,221	10,042
Other assets		1,508	12,484	1,823	16,697	17,070	17,070	3,365	786	1,502
Intangibles		-	-	-	-	-	-	500	450	476
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	<b>7,937</b>	<b>23,161</b>	<b>10,085</b>	<b>73,127</b>	<b>64,695</b>	<b>64,695</b>	<b>55,979</b>	<b>53,896</b>	<b>49,599</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		21,207	28,568		16,557	10,926	10,926	31,364	21,439	21,580
Infrastructure - Electricity		-	-		17,000	9,337	9,337	5,000	15,000	16,000
Infrastructure - Water		3,335	3,335		-	-	-			
Infrastructure - Other		9,718	23,059		18,487	24,323	24,323	3,900	-	-
Infrastructure		34,260	54,963	-	52,044	44,586	44,586	40,264	36,439	37,580
Community		15,038	15,038		4,386	3,039	3,039	11,850	16,221	10,042
Other assets		2,045	1,566		16,697	17,070	17,070	3,365	786	1,502
Intangibles		-	-	255	-	-	-	500	450	476
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>51,343</b>	<b>71,566</b>	<b>255</b>	<b>73,127</b>	<b>64,695</b>	<b>64,695</b>	<b>55,979</b>	<b>53,896</b>	<b>49,599</b>

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EXPENDITURE OTHER ITEMS										
<u>Depreciation &amp; asset impairment</u>		1,063	914	7,551	950	1,197	1,197	1,257	1,325	1,396
<u>Repairs and Maintenance by Asset Class</u>	3	1,331	813	234	1,236	736	736	3,466	5,548	7,631
Infrastructure - Road transport		482	354	-	-	-	-	2,000	4,000	6,000
Infrastructure - Electricity		-	-	-	300	-	-	-	-	-
Infrastructure - Other		-	22	-	-	-	-	399	421	444
Infrastructure		482	377	-	300	-	-	2,399	4,421	6,444
Community		-	-	-	-	-	-	60	63	67
Other assets	6, 7	849	436	234	936	736	736	1,007	1,063	1,120
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>2,394</b>	<b>1,727</b>	<b>7,785</b>	<b>2,186</b>	<b>1,933</b>	<b>1,933</b>	<b>4,723</b>	<b>6,872</b>	<b>9,028</b>
<i>Renewal of Existing Assets as % of total capex</i>		<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Renewal of Existing Assets as % of deprecn"</i>		<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>R&amp;M as a % of PPE</i>		<i>2.6%</i>	<i>1.1%</i>	<i>0.3%</i>	<i>1.7%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>6.3%</i>	<i>10.6%</i>	<i>15.8%</i>
<i>Renewal and R&amp;M as a % of PPE</i>		<i>3.0%</i>	<i>1.0%</i>	<i>92.0%</i>	<i>2.0%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>6.0%</i>	<i>10.0%</i>	<i>15.0%</i>

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3.1.10 KZN271 Umhlabuyalingana - Table A10 Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Household service targets</b>	1									
<u>Water:</u>										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Sanitation/sewerage:</u>										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Energy:</u>										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Refuse:</u>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Total cost of FBS provided (minimum social package)		-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided</b>										
<b>Revenue cost of free services provided (R'000)</b>	9									
Total revenue cost of free services provided (total social package)		-	-	-	-	-	-	-	-	-

## **PART TWO – SUPPORTING DOCUMENTATION**

### **1. Introduction**

Section 53 of the MFMA requires the Mayor of the municipality to provide political guidance in the budget process and setting of priorities that must guide the preparation of the budget. In addition chapter two of the Municipal Budgeting and Reporting Regulations state that the Mayor of the Municipality must establish the Budget Steering Committee to provide technical support to the Mayor in discharging the responsibilities as set out in section 53 of the MFMA.

### **2. Overview of IDP and Budget Process**

In terms of section 21 of the MFMA the Mayor of the municipality is required to table to council ten months before the start of the new budget year a time schedule that sets out the process to revise the IDP and to prepare the budget. The mayor tabled the process plan in the council in August 2011. The district Municipality's IDP Planners Forum sits quarterly, and in the current IDP process they have met three times discussing the issues of vertical and horizontal IDP alignment and planning and development issue in the DM. The municipality has had two IDP Representative Forum meetings and two days strategic sessions wherein the vision, mission and strategic objectives were developed as indicated below

- ❖ 22 September 2011 – discussing issues of service delivery and sector alignment
- ❖ 14 March 2012 - discussing issues of service delivery and sector alignment

## 2.1. Community Participation

The community consultation was conducted as follows:

Dates	Venue	Ward
3 October 2011	Mpiyakhe High School	2
3 October 2011	Sodwana Mnguni Centre	3
4 October 2011	Vuka Mabaso Community Hall	5
4 October 2011	Mphakathini Community Hall	7
5 October 2011	Welcome	14
5 October 2011	Vimbukhalo Community Hall	15
6 October 2011	Kwalulwane	6
6 October 2011	Mboza	13
7 October 2011	Esicabazini	16
7 October 2011	Phelandaba	9
10 October 2011	Tembe Traditional Council	1
10 October 2011	Engozini Hall	17
11 October 2011	KwaHlomula	10
11 October 2011	Mashalaza High School	4
12 October 2011	Mvelabussha Community Hall	8
12 October 2011	KwaGeorge	11
13 October 2011	KwaMshudu Community Hall	12

After the draft budget and IDP was table to council in March 2012, the mayor embarked on the public participation for the two documents as it regulated by the Municipal Systems Act and Municipal Finance Management Act. The consultation was done in five clusters and since that community participation there has been change in the budget when compared to draft budget for 2012/13.

The council of the municipality appreciates the participation of ward committees, Izinduna and Tribal councils surrounding Umhlabuyalingana Municipality. It shows that there nothing impossible if the community works together to fight the challenges that face our people. Umlhabuyalingana municipal council is committed to work together with tribal councils, izinduna, NGO's and other government department to reduce unemployment, poverty and inequality that faced by the people of Umhlabuyalingana.

### 3. IDP Strategic Objective

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES/ ACTION PLANS	OUTPUT	RESPONSIBLE DEPARTMENT
<b>Spatial Planning</b>	To promote development of efficient and sustainable settlement pattern	<ul style="list-style-type: none"> <li>Refinement of the SDF through the preparation of spatial development guidelines.</li> <li>Preparation of a LSDI Road Corridor Plan.</li> <li>Preparation of layout plans and registration of General Plans for Mbazwana and Manguzi.</li> <li>Preparation of nodal framework for secondary and tertiary nodes.</li> <li>Preparation of settlement plans using the community based planning approach.</li> <li>Training of traditional authorities in spatial planning.</li> <li>Formalization of functional relationship between traditional councils and the municipality.</li> </ul>	Efficient settlement pattern. Urban structure for Mbazwana and Manguzi	Development Planning
<b>Land Use Management</b>	To promote productive, harmonious and sustainable land use	<ul style="list-style-type: none"> <li>Preparation and implementation of Land Use Scheme for Mbazwana and Manguzi.</li> <li>Preparation and introduction of wall-to-wall Land Use Scheme.</li> <li>Training of traditional councils on land use management.</li> <li>Development of systems and procedures for the implementation of the PDA.</li> </ul>	Land use zoning. Meeting PDA timeframes	Development Planning
<b>GIS</b>	To establish a GIS desk within the municipality	<ul style="list-style-type: none"> <li>Establish GIS desk within the municipality.</li> <li>Collect GIS data from service providers that have done work within the municipality.</li> <li>Survey all projects being undertaken within the municipality and integrate them into the GIS system.</li> </ul>	Internal capacity to access and use GIS data	Development Planning Technical Services
<b>Environmental Management</b>	To provide effective support to environmental management	<ul style="list-style-type: none"> <li>Work with Isimangaliso Wetlands Park and Ezemvelo KZN Wildlife to develop and implement community based resource management programme.</li> <li>Develop an Environmental Management Framework</li> </ul>	Improved public environmental awareness	Municipal Manager

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES/ ACTION PLANS	OUTPUT	RESPONSIBLE DEPARTMENT
	initiatives in the area	(EMF). <ul style="list-style-type: none"> <li>Lobby Umkhanyakude District to establish an Environmental Health Office within Umhlabuyalingana Municipality.</li> </ul>		

### 3.1 INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES/ ACTION PLANS	OUTPUT	RESPONSIBLE DEPARTMENT
Access Roads and stormwater	To provide access and facilitate vehicular movement between and within settlements.	<ul style="list-style-type: none"> <li>Identify and map all local access roads that require construction and/ or upgrading and/or maintenance.</li> <li>Initiate a community based roads and storm water maintenance programme. <ul style="list-style-type: none"> <li>Participate actively in the rural Road Transportation Forum programs.</li> </ul> </li> <li>Initiate a street upgrading programme in Mbazwana and Manguzi.</li> </ul>	Report on backlogs. Length of roads constructed/upgraded/ Maintained per annum. Tarred roads in Manguzi and Mbazwana.	Technical Services
Water and sanitation	To facilitate provision of water and sanitation to a minimum of RDP standards.	<ol style="list-style-type: none"> <li>Undertake an assessment of water and sanitation backlog within Umhlabuyalingana.</li> <li>Participate actively in the district water and sanitation coordination structures.</li> <li>Undertake joint planning with Umkhanyakude District with regard to the roll-out of water and sanitation projects.</li> <li>Monitor implementation of water and sanitation projects.</li> <li>Integrate settlement planning with water and</li> </ol>	Water to every household within a 200m radius.	Technical services

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES/ ACTION PLANS	OUTPUT	RESPONSIBLE DEPARTMENT
		sanitation delivery programme.		
Electricity and alternative sources of power	To facilitate the provision of reliable sources of energy to each household.	<ul style="list-style-type: none"> <li>Facilitate the upgrading of electricity infrastructure in Manguzi and Mbazwana.</li> <li>Investigate potential for alternative and renewable sources of energy within Umhlabuyalingana.</li> <li>Identify and provide households that qualify for free basic electricity based indigent register.</li> </ul>	% increase in the number of households with access to reliable sources of power.	Technical Services Community Services CFO
Sustainable Human Settlements	To transform rural and urban settlements into integrated and sustainable human settlements.	<ul style="list-style-type: none"> <li>Identify settlements that are located on environmentally sensitive areas for resettlement.</li> <li>Identify priority settlements for settlement planning.</li> <li>Facilitate the development of planned urban settlements in Manguzi and Mbazwana.</li> <li>Coordinate housing delivery and infrastructure development.</li> <li>Undertake a housing consumer education.</li> </ul>	Mapping of settlements. Settlement Plans. Units delivered per annum.	Technical Services
	To create opportunities for new housing products in Umhlabuyalingana,	<ul style="list-style-type: none"> <li>Undertake market and needs analysis for new housing products in Umhlabuyalingana.</li> <li>Identify and assess land parcels for the development of rental and middle income housing stock.</li> <li>Package land for the development of new housing stock/products.</li> <li>Engage the DoHS, banking institutions and private developers about the development of new housing products.</li> <li>Packaging of project application for submission to DoHS.</li> <li>Facilitate the development of rental housing stock in Mbazwana and Manguzi.</li> </ul>	Land earmarked for new housing products. Number of new rental and middle income units.	Technical Services Development Planning



PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES/ ACTION PLANS	OUTPUT	RESPONSIBLE DEPARTMENT
<b>Public facilities</b>	To facilitate provision of public facilities in line with the recommended standards.	<ul style="list-style-type: none"> <li>• Maintain the structural integrity of all municipal buildings.</li> <li>• Facilitate the development of community centres to serve clusters of settlements.</li> <li>• Facilitate the development and keep all sports facilities in good working order.</li> <li>• Facilitate the upgrading and fencing of landfill sites.</li> </ul>	Access to public facilities in terms of the recommended standards	Technical Services Development Planning
<b>Infrastructures planning</b>	To plan for the long-term development and maintenance of infrastructure.	<ul style="list-style-type: none"> <li>• Develop infrastructure and maintenance plan.</li> <li>• To participate in the preparation of district infrastructure plans.</li> <li>• Preparation and review of Housing Sector Plan</li> <li>• Formulation of public facilities plan</li> <li>• Regularisation of waste sites in Mbazwana and Sikhemele.</li> <li>• Develop electricity master plan and business plan for funding.</li> <li>• Develop cemetery master plan</li> </ul>	Adopted sector plans.	Technical Services Development Planning

## 3.2 LOCAL ECONOMIC DEVELOPMENT AND SOCIAL (COMMUNITY) DEVELOPMENT

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES/ ACTION PLANS	OUTPUT/ OUTCOME	RESPONSIBLE DEPARTMENT
<b>Tourism Promotion and Development</b>	<b>To increase tourism market share of Umhlabuyalingana</b>	<ul style="list-style-type: none"> <li>• Create tourism awareness among the local communities.</li> <li>• Facilitate the development of community based tourism projects.</li> <li>• Undertake marketing and promotion of tourism in Umhlabuyalingana.</li> <li>• Establish systems and procedures for tourism regulation and registration.</li> <li>• Facilitate the provision of technical support and training to tourism SMMEs.</li> <li>• Improve tourism signage</li> </ul>	% increase in the number of tourists visiting the area	LED Unit
<b>Agriculture Development</b>	To facilitate development of commercial agriculture in Umhlabuyalingana	<ul style="list-style-type: none"> <li>• Production of niche products such as groundnuts and essential oils.</li> <li>• Facilitate development agri-industries that add value to local products.</li> <li>• Facilitate the commercialization of livestock farming.</li> <li>• Facilitate the development of the Irrigation schemes along Phongola Floodplains.</li> </ul>	Sustainable and productive agricultural projects	LED Unit
<b>SMME Support and Capacity Building</b>	SMME development and support	<ul style="list-style-type: none"> <li>• Develop and implement an informal sector management programme.</li> <li>• Facilitate SMME training and capacity building programs – incubation program.</li> <li>• Facilitate development of SMME support infrastructure.</li> <li>• Introduce and implement by-laws to control informal trading.</li> </ul>	Trading occurs in designated areas only.	LED Unit
<b>Small-town</b>	To improve aesthetic	<ul style="list-style-type: none"> <li>• Undertake urban design in both Manguzi and</li> </ul>		

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES/ ACTION PLANS	OUTPUT/ OUTCOME	RESPONSIBLE DEPARTMENT
<b>Rehabilitation</b>	character of Manguzi and Mbazwana as a means to attract investment	<p>Mbazwana.</p> <ul style="list-style-type: none"> <li>• Improve landscaping along the main roads and streets.</li> <li>• Introduce street lighting in both towns.</li> <li>• Improve signage in both towns.</li> <li>• Improve pavements and walkways in both towns.</li> <li>•</li> </ul>		
<b>Business Licensing</b>	To register and maintain database of all businesses that operates in Umhlabuyalingana	<ul style="list-style-type: none"> <li>• Alerting public about need for business licencing.</li> <li>• Processing of business licences.</li> <li>• Introduction and enforcement of business licencing by-laws.</li> </ul>		
<b>Disaster management</b>	To prevent and reduce the impact of disasters in Umhlabuyalingana	<ul style="list-style-type: none"> <li>• Facilitate the signing of an agency agreement with the district.</li> <li>• Undertake community awareness campaigns on disasters management.</li> <li>• Participate in provincial and district disaster management forums.</li> <li>• Manage and operate fire services.</li> <li>• Coordinate volunteer programme on disaster management.</li> <li>• Undertake disaster management training and capacity building.</li> <li>• Identify and facilitate relocation of households located in road reserves, within 100year flood lines and other disaster prone areas.</li> </ul>		
<b>Public safety</b>	To improve safety and security.	<ul style="list-style-type: none"> <li>• Establishment and operation of vehicle testing centre.</li> <li>• Improve traffic signalling in all urban centres and nodes.</li> <li>• Monitor traffic on roads that runs through Umhlabuyalingana.</li> </ul>		

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES/ ACTION PLANS	OUTPUT/ OUTCOME	RESPONSIBLE DEPARTMENT
		<ul style="list-style-type: none"> <li>Participate actively in community policing forums and other coordinating structures.</li> </ul>		
<b>Waste Management</b>	To keep Umhlabuyalingana clean and safe from diseases’.	<ul style="list-style-type: none"> <li>Facilitate the identification of potential sites for the development of landfill sites.</li> <li>Develop initiatives to keep the area clean.</li> <li>Investigate feasibility for the establishment of a waste management and recycling centre.</li> </ul>		Corporate and Community Services
<b>Maintenance of Public Facilities</b>	To keep the public facilities in clean and in good working order.	<ul style="list-style-type: none"> <li>Take GPS readings of the spatial location of all public facilities.</li> <li>Undertake an assessment of all public facilities and formulate a maintenance programme and strategy.</li> <li>Develop a community based programme for the management of community facilities.</li> <li>Facilitate the identification of sites and development of cemeteries.</li> <li>Facilitate the development of public parks in Manguzi and Mbazwana.</li> </ul>		Corporate and Community Services
<b>Community Works Programme</b>	To use municipal and government funded infrastructure projects a means to create jobs and reduce poverty.	<ul style="list-style-type: none"> <li>Undertake needs assessment and identification of target groups within the selected wards.</li> <li>Facilitate the identification of support programmes within the selected wards.</li> <li>Facilitate the development of ward-based plans.</li> <li>Mobilise resources from various government department.</li> <li>Engage COGTA about the clarification of the role of the municipality in the Community works programme.</li> </ul>		Corporate and Community Services
<b>Special Programmes</b>	To respond to the directly to the unique needs of the youth and the vulnerable	<ul style="list-style-type: none"> <li>Develop a calendar of special events and celebrations within Umhlabuyalingana.</li> <li>Work with relevant state institutions to create awareness about government initiatives in this regard.</li> </ul>		Corporate and Community Services

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES/ ACTION PLANS	OUTPUT/ OUTCOME	RESPONSIBLE DEPARTMENT
	groups.	<ul style="list-style-type: none"> <li>Mobilise communities to participate actively in the special events and celebrations.</li> </ul>		

### 3.3 FINANCIAL VIABILITY AND SUSTAINABILITY

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES/ ACTION PLANS	OUTPUT/ OUTCOME	RESPONSIBLE DEPARTMENT
<b>Budgeting and reporting</b>		<ul style="list-style-type: none"> <li>Ensure that the budget is developed and approved as provide in the MFMA.</li> <li>Undertake mid-year budget review process as provided for in the MFMA.</li> <li>Ensure that the budget is aligned with the IDP.</li> </ul>	Compliance with the MFMA.	CFO
<b>Revenue enhancement</b>	To ensure the collection of funds billed, and to specify procedures in respect of non-payment.	<ul style="list-style-type: none"> <li>Undertaking a land audit.</li> <li>Formulation of a new valuation policy.</li> <li>Development of a valuation roll.</li> <li>Enlist the services of debt collectors to undertake debt collection on behalf of the municipality.</li> <li>Develop and implement revenue raising strategies</li> <li>Improve billing system to comply with GRAAP.</li> <li>Improve collection/ payment of traffic fines.</li> </ul>	<ul style="list-style-type: none"> <li>% increase in own revenue collection.</li> <li>Organisational financial viability</li> </ul>	Finance Department
<b>Expenditure Management and Control</b>		<ul style="list-style-type: none"> <li>Ensure that expenditure occurs in accordance with the budget.</li> <li>Improve expenditure on grant funding by starting projects on time and paying service providers on time.</li> <li>Develop and introduce internal controls to prevent loss of vouchers.</li> <li>Improve submission of payroll inputs.</li> </ul>	<ul style="list-style-type: none"> <li>Expenditure in accordance with the budget</li> </ul>	Finance Department
<b>Asset</b>	To establish and	<ul style="list-style-type: none"> <li>Develop and maintain an assets register.</li> </ul>	<ul style="list-style-type: none"> <li>Assets Register</li> </ul>	<ul style="list-style-type: none"> <li>Finance</li> </ul>

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES/ ACTION PLANS	OUTPUT/ OUTCOME	RESPONSIBLE DEPARTMENT
<b>Management</b>	operate an efficient asset management system.	<ul style="list-style-type: none"> <li>Introduce an automated asset management system.</li> <li>Initiate a process to unbundle municipal assets.</li> <li>Undertake assets count and introduce bar-coding of all municipal assets.</li> <li>Formulate and keep updated an assets disposal policy.</li> <li>Introduce assets management module.</li> </ul>	<ul style="list-style-type: none"> <li>Assets management system</li> </ul>	Department
<b>Financial Management</b>	To establish efficient treasury department	<ul style="list-style-type: none"> <li>Budget preparation and implementation Plan.</li> <li>Development and maintenance of Financial control systems and procedures.</li> <li>To deliver services strictly in line with budget provisions and authorized functions</li> <li>Adopt appropriate financial policies including credit control measures, expenditure control, and improved asset management.</li> <li>To ensure that the IDP and Budget are integrated and available funds are allocated in line with IDP Priorities</li> <li>To develop and implement an anti-corruption strategy</li> <li>Develop Debt Recovery Plan</li> </ul>	<ul style="list-style-type: none"> <li>Efficiency in the management of municipal finances.</li> <li>Sound financial management systems and legislative compliance</li> </ul>	Finance Department

## 4. SUPPORTING TABLES

### 4.1 KZN271 Umhlabuyalingana - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<u>Parent municipality</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank				13,160	6,002	1,332	1,332	3,371	9,598	19,572
Deposits - Public Investment Commissioners										
<b>Municipality sub-total</b>	1	-	-	13,160	6,002	1,332	1,332	3,371	9,598	19,572
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		-	-	13,160	6,002	1,332	1,332	3,371	9,598	19,572

The above table show the projected call investment that the municipality is planning to make in 2012/13 budget year, the basic drive for the this projection is: for the municipality to be sustainable it must increase its working capital. If the municipality has a good working capital it will be easier to fast track the service delivery that the community of Umhlabauyalingana is hungry for.

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4.2 KZN271 Umhlabuyalingana - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<u>Operating Transfers and Grants</u>										
<b>National Government:</b>		23,181	31,660	37,700	51,922	52,018	52,018	59,993	64,206	69,370
Local Government Equitable Share		22,196	29,185	35,750	49,682	49,682	49,682	56,693	61,556	66,670
Finance Management		250	1,740	1,200	1,450	1,450	1,450	1,500	1,750	1,750
Municipal Systems Improvement		735	735	750	790	886	886	800	900	950
EPWP Incentive				-				1,000	-	-
<b>Provincial Government:</b>		2,417	138	3,416	3,957	5,319	5,319	1,773	1,638	2,017
Housing		648	48	-	644	644	644	-	-	-
Library Subsidy and Other Grants		1,769	90	3,416	3,313	4,675	4,675	1,773	1,638	2,017
<b>District Municipality:</b>		42	53	-	-	-	-	-	-	-
Shared Services Grants										
Other Grants		42	53	-						
<b>Total Operating Transfers and Grants</b>	5	25,640	31,851	41,116	55,879	57,337	57,337	61,766	65,844	71,387
<u>Capital Transfers and Grants</u>										
<b>National Government:</b>		3,000	19,807	25,238	51,464	28,908	28,908	29,149	40,474	42,947
Municipal Infrastructure Grant (MIG)		3,000	19,807	16,238	34,464	19,908	19,908	24,149	25,474	26,947
Integrated Electrification Programme		-	-	9,000	17,000	9,000	9,000	5,000	15,000	16,000
<b>Provincial Government:</b>		1,665	914	6,500	8,132	8,819	8,819	150	-	-
Other Provincial Grants		1,665	914	6,500	8,132	8,819	8,819	150	-	-
<b>District Municipality:</b>		-	-	-	-	1,366	1,366	-	-	-
Corridor Development Grant		-	-	-	-	1,366	1,366	-	-	-
<b>Total Capital Transfers and Grants</b>	5	4,665	20,721	31,738	59,595	39,093	39,093	29,299	40,474	42,947
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		30,305	52,571	72,854	115,474	96,429	96,429	91,065	106,318	114,334



## 4.3. KZN271 Umhlabuyalingana - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		23,170	30,652	37,912	51,922	50,713	7,304	59,993	64,206	69,370
Local Government Equitable Share		22,196	29,185	35,750	49,682	49,682	4,968	56,693	61,556	66,670
Finance Management		282	814	1,383	1,450	145	1,450	1,500	1,750	1,750
Municipal Systems Improvement		692	654	779	790	886	886	800	900	950
EPWP Incentive								1,000	-	-
Provincial Government:		2,221	492	1,801	3,957	5,319	5,319	1,773	1,638	2,017
Housing		648	48	-	644	644	644	-	-	-
Library Subsidy and Other Grants		1,573	444	1,801	3,313	4,675	4,675	1,773	1,638	2,017
<b>Total operating expenditure of Transfers and Grants:</b>		<b>25,391</b>	<b>31,144</b>	<b>39,714</b>	<b>55,879</b>	<b>56,032</b>	<b>12,623</b>	<b>61,766</b>	<b>65,844</b>	<b>71,387</b>
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		6,277	19,709	8,669	51,464	28,908	28,908	29,149	40,474	42,947
Municipal Infrastructure Grant (MIG)		6,277	19,709	8,669	34,464	19,908	19,908	24,149	25,474	26,947
Integrated Electrification Programme		-	-	-	17,000	9,000	9,000	5,000	15,000	16,000
Provincial Government:		1,665	3,421	761	8,132	8,819	8,819	150	-	-
Other Provincial Grants		1,665	3,421	761	8,132	8,819	8,819	150	-	-
District Municipality:		-	-	-	-	1,366	1,366	-	-	-
Corridor Development Grant					-	1,366	1,366	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>7,942</b>	<b>23,131</b>	<b>9,431</b>	<b>59,595</b>	<b>39,093</b>	<b>39,093</b>	<b>29,299</b>	<b>40,474</b>	<b>42,947</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>33,333</b>	<b>54,275</b>	<b>49,144</b>	<b>115,474</b>	<b>95,124</b>	<b>51,716</b>	<b>91,065</b>	<b>106,318</b>	<b>114,334</b>

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4.4 KZN271 Umhlabuyalingana - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>National Government:</b>										
Balance unspent at beginning of the year		235	629	1,637	–	96	96	–	–	–
Current year receipts		23,181	31,660	37,700	51,922	51,922	51,922	59,993	64,206	69,370
<b>Conditions met - transferred to revenue</b>		<b>22,787</b>	<b>30,652</b>	<b>37,912</b>	<b>51,922</b>	<b>52,018</b>	<b>52,018</b>	<b>59,993</b>	<b>64,206</b>	<b>69,370</b>
Conditions still to be met - transferred to liabilities		629	1,637	1,425	–	–	–	–	–	–
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		1,539	3,118	2,664	1,800	3,162	3,162			
Current year receipts		2,651	1,052	3,207	2,157	2,157	2,157	1,773	1,638	2,017
<b>Conditions met - transferred to revenue</b>		<b>2,604</b>	<b>1,506</b>	<b>1,802</b>	<b>3,957</b>	<b>5,319</b>	<b>5,319</b>	<b>1,773</b>	<b>1,638</b>	<b>2,017</b>
Conditions still to be met - transferred to liabilities		1,585	2,664	4,069						
<b>Total operating transfers and grants revenue</b>		<b>25,391</b>	<b>32,158</b>	<b>39,714</b>	<b>55,879</b>	<b>57,337</b>	<b>57,337</b>	<b>61,766</b>	<b>65,844</b>	<b>71,387</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>2,214</b>	<b>4,300</b>	<b>5,494</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		2,154	–	2,548	23,556	9,000	9,000			
Current year receipts		6,277	19,709	25,238	27,908	19,908	19,908	29,149	40,474	42,947
<b>Conditions met - transferred to revenue</b>		<b>8,431</b>	<b>17,161</b>	<b>8,669</b>	<b>51,464</b>	<b>28,908</b>	<b>28,908</b>	<b>29,149</b>	<b>40,474</b>	<b>42,947</b>
Conditions still to be met - transferred to liabilities			2,548	19,117						
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		3,261	3,888	1,689	7,982	7,669	7,669			
Current year receipts		1,665	971	6,500	150	1,150	1,150	150	–	–
<b>Conditions met - transferred to revenue</b>		<b>(494)</b>	<b>3,170</b>	<b>761</b>	<b>8,132</b>	<b>8,819</b>	<b>8,819</b>	<b>150</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		5,421	1,689	7,427						
<b>District Municipality:</b>										
Balance unspent at beginning of the year						666	666			
Current year receipts						700	700			
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,366</b>	<b>1,366</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total capital transfers and grants revenue</b>		<b>7,937</b>	<b>20,331</b>	<b>9,431</b>	<b>59,595</b>	<b>39,093</b>	<b>39,093</b>	<b>29,299</b>	<b>40,474</b>	<b>42,947</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>5,421</b>	<b>4,237</b>	<b>26,545</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>33,328</b>	<b>52,489</b>	<b>49,144</b>	<b>115,474</b>	<b>96,429</b>	<b>96,429</b>	<b>91,065</b>	<b>106,318</b>	<b>114,334</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>7,635</b>	<b>8,538</b>	<b>32,038</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

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4.5 KZN271 Umhlabuyalingana - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration  R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>- Councillors (Political Office Bearers plus Other)</b>	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		3,144	3,157		4,805	4,805	4,805	5,140	5,428	5,721
Motor Vehicle Allowance		1,119	1,052		1,602	1,602	1,602	1,713	1,809	1,907
Cellphone Allowance		275	259		404	404	404	419	443	467
Other benefits and allowances					70	70	70	73	77	81
<b>Sub Total - Councillors</b>		<b>4,538</b>	<b>4,469</b>	<b>-</b>	<b>6,881</b>	<b>6,881</b>	<b>6,881</b>	<b>7,346</b>	<b>7,757</b>	<b>8,176</b>
<b>% increase</b>	4		<b>(1.5%)</b>	<b>(100.0%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.8%</b>	<b>5.6%</b>	<b>5.4%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		2,803	2,183	1,763	2,158	2,158	2,158	2,474	2,613	2,754
Pension and UIF Contributions				5				25	26	28
Cellphone Allowance	3			43				-	-	-
Other benefits and allowances	3	25	23	14	43	43	43	25	26	28
Payments in lieu of leave					180	180	180	206	218	229
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Municipality</b>		<b>2,828</b>	<b>2,206</b>	<b>1,826</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>	<b>2,730</b>	<b>2,883</b>	<b>3,039</b>
<b>% increase</b>	4		<b>(22.0%)</b>	<b>(17.2%)</b>	<b>30.4%</b>	<b>-</b>	<b>-</b>	<b>14.6%</b>	<b>5.6%</b>	<b>5.4%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		5,992	6,713	6,738	8,516	8,218	8,218	10,030	10,592	11,164
Pension and UIF Contributions		234	415	708	841	860	860	1,024	1,081	1,140
Medical Aid Contributions		127	163	227	216	282	282	352	372	392
Overtime		54	53	21	95	85	85	108	114	120
Performance Bonus		432	488	484	636	283	283	766	809	852
Motor Vehicle Allowance	3				-	20	20	20	21	22
Other benefits and allowances	3	288	301	115	264	253	253	334	710	748
Payments in lieu of leave					703	685	685	835	881	929
<b>Sub Total - Other Municipal Staff</b>		<b>7,128</b>	<b>8,132</b>	<b>8,293</b>	<b>11,270</b>	<b>10,687</b>	<b>10,687</b>	<b>13,469</b>	<b>14,580</b>	<b>15,368</b>
<b>% increase</b>	4		<b>14.1%</b>	<b>2.0%</b>	<b>35.9%</b>	<b>(5.2%)</b>	<b>-</b>	<b>26.0%</b>	<b>8.2%</b>	<b>5.4%</b>
<b>Total Parent Municipality</b>		<b>14,494</b>	<b>14,807</b>	<b>10,119</b>	<b>20,532</b>	<b>19,949</b>	<b>19,949</b>	<b>23,545</b>	<b>25,220</b>	<b>26,582</b>
			<b>2.2%</b>	<b>(31.7%)</b>	<b>102.9%</b>	<b>(2.8%)</b>	<b>-</b>	<b>18.0%</b>	<b>7.1%</b>	<b>5.4%</b>

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TOTAL SALARY, ALLOWANCES & BENEFITS		14,494	14,807	10,119	20,532	19,949	19,949	23,545	25,220	26,582
% increase	4		2.2%	(31.7%)	102.9%	(2.8%)	–	18.0%	7.1%	5.4%
TOTAL MANAGERS AND STAFF	5	9,956	10,338	10,119	13,652	13,068	13,068	16,199	17,463	18,406

## 4.6 KZN271 Umhlabuyalingana - Supporting Table SA23 Salaries, allowances &amp; benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b><u>Councillors</u></b>	3							
Speaker	4							-
Chief Whip								-
Executive Mayor			185,028	67,857	98,769			351,654
Deputy Executive Mayor			144,566	57,742	79,817			282,125
Executive Committee			682,365	278,591	394,785			1,355,741
Total for all other councillors			2,512,877	1,211,419	1,632,247			5,356,543
<b>Total Councillors</b>	8	-	<b>3,524,836</b>	<b>1,615,609</b>	<b>2,205,618</b>			<b>7,346,063</b>
<b><u>Senior Managers of the Municipality</u></b>	5							
Municipal Manager (MM)			821,998	85,000	-	-		906,998
Chief Finance Officer			495,708	132,837	-	-		628,545
Director Technical			505,613	110,817	-	-		616,430
Director Corporate and Community			506,356	110,817	-	-		617,173
<b>Total Senior Managers of the Municipality</b>	8	-	<b>2,329,675</b>	<b>439,471</b>	<b>-</b>	<b>-</b>		<b>2,769,146</b>
<b>Total for municipal entities</b>	8	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>		-	<b>5,854,511</b>	<b>2,055,080</b>	<b>2,205,618</b>	<b>-</b>		<b>10,115,209</b>

## 4.7 KZN271 Umhlabuyalingana - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2010/11			Current Year 2011/12			Budget Year 2012/13		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)			26	–	26	34	–	34	34	–	34
Board Members of municipal entities	4										
<b>Municipal employees</b>											
Municipal Manager and Senior Managers	5										
Other Managers	3	1	–	1	2	–	2	1	3	3	1
Professionals	7										
<i>Finance</i>		3	3	–	11	11	–	13	13	–	–
<i>Spatial/town planning</i>		3	3		3	3	–	3	3	–	–
<i>Information Technology</i>					2	2	–	4	4	–	–
<i>Refuse</i>											
<i>Other</i>					6	6		6	6		
Technicians		40	39	1	35	29	6	38	33	5	5
<i>Finance</i>					5	–	5	5	–	5	–
<i>Spatial/town planning</i>		1		1	1	–	1	3	3	–	–
<i>Information Technology</i>								1	1	–	–
<i>Sanitation</i>											
<i>Refuse</i>		26	26		24	24		24	24	–	–
<i>Other</i>		13	13		5	5		5	5	–	–
Clerks (Clerical and administrative)		17	17		17	17		17	17	–	–
Service and sales workers											
Elementary Occupations		5	5								
<b>TOTAL PERSONNEL NUMBERS</b>			<b>92</b>	<b>64</b>	<b>28</b>	<b>99</b>	<b>57</b>	<b>42</b>	<b>106</b>	<b>66</b>	<b>40</b>
<b>% increase</b>						7.6%	(10.9%)	50.0%	7.1%	15.8%	(4.8%)
<b>Total municipal employees headcount</b>											
Finance personnel headcount	6										
Human Resources personnel headcount	8										

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4.8 KZN271 Umhlabuyalingana - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	R ef	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Novem ber	Decem ber	January	Februar y	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b><u>Revenue By Source</u></b>	-															
Property rates		498	498	498	498	498	498	498	498	498	498	498	498	5,971	7,461	7,461
Rental of facilities and equipment		4	4	4	4	4	4	4	4	4	4	4	4	48	50	53
Interest earned - external investments		69	69	69	69	69	69	69	69	69	69	69	69	833	879	927
Fines		14	14	14	14	14	14	14	14	14	14	14	14	168	177	186
Licences and permits		173	173	173	173	173	173	173	173	173	173	173	173	2,071	2,187	2,299
Transfers recognized - operational		19,843	3,300	200	1,573	19,843				17,008			-	61,766	65,844	71,387
Other revenue		11,008	8	4	8	4	4	4	4	4			-	11,050	53	56
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>31,608</b>	<b>4,066</b>	<b>962</b>	<b>2,339</b>	<b>20,604</b>	<b>762</b>	<b>762</b>	<b>762</b>	<b>17,770</b>	<b>758</b>	<b>758</b>	<b>758</b>	<b>81,906</b>	<b>76,652</b>	<b>82,369</b>
<b><u>Expenditure By Type</u></b>	-															
Employee related costs		1,246	1,246	1,246	1,246	1,246	2,492	1,246	1,246	1,246	1,246	1,246	2,267	17,220	18,636	19,642
Remuneration of councillors		612	612	612	612	612	612	612	612	612	612	612	612	7,346	7,757	8,176
Debt impairment													142	142	149	157
Depreciation & asset impairment		105	105	105	105	105	105	105	105	105	105	105	105	1,257	1,325	1,396
Contracted services		561	99	68	876	253	25	880	350	345	-	-	10	3,466	5,548	7,631
Other expenditure		1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	3,068	22,425	23,588	28,740
<b>Total Expenditure</b>		<b>4,283</b>	<b>3,821</b>	<b>3,790</b>	<b>4,599</b>	<b>3,976</b>	<b>4,994</b>	<b>4,603</b>	<b>4,073</b>	<b>4,068</b>	<b>3,723</b>	<b>3,723</b>	<b>6,203</b>	<b>51,855</b>	<b>57,003</b>	<b>65,743</b>
<b>Surplus/(Deficit)</b>		<b>27,325</b>	<b>244</b>	<b>(2,829)</b>	<b>(2,260)</b>	<b>16,629</b>	<b>(4,232)</b>	<b>(3,841)</b>	<b>(3,311)</b>	<b>13,702</b>	<b>(2,965)</b>	<b>(2,965)</b>	<b>(5,446)</b>	<b>30,051</b>	<b>19,649</b>	<b>16,626</b>
Transfers recognized - capital		10,202	150	-	-	10,202	-	-	-	8,745	-	-	-	29,299	40,474	42,947
Contributions recognized - capital																

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Contributed assets													-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		37,527	394	(2,829)	(2,260)	26,831	(4,232)	(3,841)	(3,311)	22,447	(2,965)	(2,965)	(5,446)	59,350	60,123	59,573
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
<b>Surplus/(Deficit)</b>	1	37,527	394	(2,829)	(2,260)	26,831	(4,232)	(3,841)	(3,311)	22,447	(2,965)	(2,965)	(5,446)	59,350	60,123	59,573



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4.9 KZN271 Umhlabuyalingana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description  R thousand	R ef	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue by Vote</b>	-															
Vote 1 - Council and Executive		19,843				19,843				17,008			-	56,693	61,556	66,670
Vote 2 - Budget and Treasury		575	2,876	575	575	575	575	575	575	575	575	575	575	9,197	11,090	11,192
Vote 3 - Corporate and Community Department		187	187	187	1,760	187	187	187	187	187	187	187	187	3,816	3,807	4,007
Vote 4 - Planning and Development		21,202	1,150	200	-	10,202	-	-	-	8,745	-	-	-	41,499	40,674	43,447
<b>Total Revenue by Vote</b>		<b>41,806</b>	<b>4,213</b>	<b>962</b>	<b>2,335</b>	<b>30,806</b>	<b>762</b>	<b>762</b>	<b>762</b>	<b>26,514</b>	<b>762</b>	<b>762</b>	<b>762</b>	<b>111,205</b>	<b>117,126</b>	<b>125,316</b>
<b>Expenditure by Vote to be appropriated</b>	-															
Vote 1 - Council and Executive		861	1,179	1,228	1,281	1,334	1,794	1,115	986	1,233	1,174	1,049	1,339	14,571	15,387	16,218
Vote 2 - Budget and Treasury		565	790	565	1,065	665	685	465	765	565	465	465	576	7,632	8,056	10,750
Vote 3 - Corporate and Community Department		1,593	1,561	1,307	1,295	1,552	1,749	1,501	1,495	1,341	1,295	1,045	1,163	16,897	17,843	18,806
Vote 4 - Planning and Development		470	867	2,098	947	842	1,608	975	836	2,038	953	495	627	12,755	15,716	19,968
<b>Total Expenditure by Vote</b>		<b>3,488</b>	<b>4,397</b>	<b>5,197</b>	<b>4,588</b>	<b>4,392</b>	<b>5,835</b>	<b>4,055</b>	<b>4,082</b>	<b>5,177</b>	<b>3,887</b>	<b>3,053</b>	<b>3,705</b>	<b>51,855</b>	<b>57,003</b>	<b>65,743</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>38,318</b>	<b>(185)</b>	<b>(4,235)</b>	<b>(2,253)</b>	<b>26,414</b>	<b>(5,073)</b>	<b>(3,293)</b>	<b>(3,320)</b>	<b>21,337</b>	<b>(3,125)</b>	<b>(2,292)</b>	<b>(2,944)</b>	<b>59,350</b>	<b>60,123</b>	<b>59,573</b>
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>38,318</b>	<b>(185)</b>	<b>(4,235)</b>	<b>(2,253)</b>	<b>26,414</b>	<b>(5,073)</b>	<b>(3,293)</b>	<b>(3,320)</b>	<b>21,337</b>	<b>(3,125)</b>	<b>(2,292)</b>	<b>(2,944)</b>	<b>59,350</b>	<b>60,123</b>	<b>59,573</b>

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4. 10 KZN271 Umhlabuyalingana - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description  R thousand	Re f	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Novem ber	Decem ber	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Revenue - Standard</u>																
<i>Governance and administration</i>		20,417	2,876	575	575	20,417	575	575	575	17,583	575	575	575	65,890	72,646	77,862
Executive and council		19,843				19,843				17,008			-	56,693	61,556	66,670
Budget and treasury office		575	2,876	575	575	575	575	575	575	575	575	575	575	9,197	11,090	11,192
<i>Community and public safety</i>		187	187	187	1,760	187	187	187	187	187	187	187	187	3,816	3,807	4,007
Community and social services		187	187	187	1,760	187	187	187	187	187	187	187	187	3,816	3,807	4,007
<i>Economic and environmental services</i>		21,202	1,150	200	-	10,202	-	-	-	8,745	-	-	-	41,499	40,674	43,447
Planning and development		21,202	1,150	200	-	10,202	-	-	-	8,745	-	-	-	41,499	40,674	43,447
<b>Total Revenue - Standard</b>		<b>41,806</b>	<b>4,213</b>	<b>962</b>	<b>2,335</b>	<b>30,806</b>	<b>762</b>	<b>762</b>	<b>762</b>	<b>26,514</b>	<b>762</b>	<b>762</b>	<b>762</b>	<b>111,205</b>	<b>117,126</b>	<b>125,316</b>
<u>Expenditure - Standard</u>																
<i>Governance and administration</i>		2,355	2,443	2,341	2,810	2,562	3,092	2,244	2,224	2,486	2,102	1,927	2,425	29,012	30,634	34,880
Executive and council		861	1,179	1,228	1,281	1,334	1,794	1,115	986	1,233	1,174	1,049	1,339	14,571	15,387	16,218
Budget and treasury office		565	790	565	1,065	665	685	465	765	565	465	465	576	7,632	8,056	10,750
Corporate services		929	474	549	464	564	614	664	474	689	464	414	510	6,809	7,190	7,912
<i>Community and public safety</i>		664	1,086	758	631	788	1,135	837	1,021	652	631	631	1,254	10,088	10,653	10,894
Community and social services		664	1,086	758	631	788	1,135	837	1,021	652	631	631	1,254	10,088	10,653	10,894
<i>Economic and environmental services</i>		470	867	2,098	747	542	1,608	475	736	2,038	953	495	1,727	12,755	15,716	19,968
Planning and development		470	867	2,098	747	542	1,608	475	736	2,038	953	495	1,727	12,755	15,716	19,968
<b>Total Expenditure - Standard</b>		<b>3,488</b>	<b>4,396</b>	<b>5,197</b>	<b>4,188</b>	<b>3,892</b>	<b>5,835</b>	<b>3,555</b>	<b>3,982</b>	<b>5,177</b>	<b>3,687</b>	<b>3,053</b>	<b>5,406</b>	<b>51,855</b>	<b>57,003</b>	<b>65,743</b>
Surplus/(Deficit) before assoc.		38,318	(184)	(4,235)	(1,853)	26,914	(5,073)	(2,793)	(3,220)	21,337	(2,925)	(2,292)	(4,645)	59,350	60,123	59,573
Surplus/(Deficit)	1	38,318	(184)	(4,235)	(1,853)	26,914	(5,073)	(2,793)	(3,220)	21,337	(2,925)	(2,292)	(4,645)	59,350	60,123	59,573

## 4. 11 KZN271 Umhlabuyalingana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description  R thousand	Re f	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Multi-year expenditure to be appropriated</u>	1															
Vote 1 - Council and Executive													-	-	-	-
Vote 2 - Budget and Treasury													-	-	-	-
Vote 3 - Corporate and Community Department													-	-	-	-
Vote 4 - Planning and Development		3,880	1,200	3,120	2,556	-	-	-	244				-	11,000	-	-
Capital multi-year expenditure sub-total	2	3,880	1,200	3,120	2,556	-	-	-	244	-	-	-	-	11,000	-	-
<u>Single-year expenditure to be appropriated</u>																
Vote 1 - Council and Executive													-	-	-	-
Vote 2 - Budget and Treasury		126	150	750			1,539						-	2,565	1,000	1,727
Vote 3 - Corporate and Community Department		-	250			300							-	550	236	250
Vote 4 - Planning and Development		2,575	2,532	4,894	6,912	6,775	3,051	2,857	2,912	2,789	2,349	2,511	1,706	41,864	52,660	47,622
Capital single-year expenditure sub-total	2	2,701	2,932	5,644	6,912	7,075	4,591	2,857	2,912	2,789	2,349	2,511	1,706	44,979	53,896	49,599
Total Capital Expenditure	2	6,581	4,132	8,764	9,468	7,075	4,591	2,857	3,156	2,789	2,349	2,511	1,706	55,979	53,896	49,599

## 4.12 KZN271 Umhlabuyalingana - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description  R thousand	Re f	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b><u>Capital Expenditure - Standard</u></b>	1															
<i>Governance and administration</i>		126	150	750	-	-	1,539	-	-	-	-	-	350	2,915	1,000	1,727
Executive and council													-	-	-	-
Budget and treasury office		126	150	750			1,539						350	2,915	1,000	1,727
Corporate services													-	-	-	-
<i>Community and public safety</i>		-	250	-	-	300	-	-	-	-	-	-	550	236	250	
Community and social services			250			300							550	236	250	
<i>Economic and environmental services</i>		6,455	3,732	8,014	9,468	6,775	3,051	2,857	3,156	2,789	2,348	2,511	1,357	52,514	52,660	47,622
Planning and development		6,455	3,732	8,014	9,468	6,775	3,051	2,857	3,156	2,789	2,348	2,511	1,357	52,514	52,660	47,622
<b>Total Capital Expenditure - Standard</b>	2	6,581	4,132	8,764	9,468	7,075	4,591	2,857	3,156	2,789	2,348	2,511	1,707	55,979	53,896	49,599

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4.13 KZN271 Umhlabuyalingana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Cash Receipts By Source</u>													1		
Property rates	498	498	498	498	498	498	498	498	498	498	498	498	5,971	7,461	7,461
Rental of facilities and equipment	4	4	3	2	7	–	7	–	7	–	7	5	48	50	53
Interest earned - external investments	69	69	69	69	69	69	69	69	69	69	69	69	833	879	927
Fines	15	–	10	36	15	17	37	6	15	6	8	5	168	177	186
Licences and permits	173	190	173	155	189	196	136	156	173	173	185	175	2,071	1,659	1,744
Transfer receipts - operational	19,843	3,300	200	1,573	19,843	–	–	–	17,008			–	61,766	65,844	71,387
Other revenue	11,014	4	7	9	8	–	8					–	11,050	53	56
Cash Receipts by Source	31,614	4,065	960	2,342	20,629	780	754	728	17,770	745	767	753	81,906	76,124	81,814
<u>Other Cash Flows by Source</u>															
Transfer receipts - capital	8,500	5,000	–	–	12,750	–	–	–	3,049	–	–	–	29,299	40,474	42,947
Total Cash Receipts by Source	40,114	9,065	960	2,342	33,379	780	754	728	20,819	745	767	753	111,205	116,598	124,761
<u>Cash Payments by Type</u>															
Employee related costs	1,246	1,446	1,346	1,346	1,346	2,492	1,346	1,246	1,346	1,346	1,346	1,367	17,220	18,636	19,642
Remuneration of councillors	612	612	612	612	612	612	612	612	612	612	612	612	7,346	7,757	8,176
Contracted services	69	2,000	75		387	–	136	375	–	299		126	3,466	5,548	7,631
Other expenditure	1,725	2,075	1,136	2,879	3,081	3,256	1,875	1,890	1,236	2,077	875	321	22,425	23,588	28,740
Cash Payments by Type	3,652	6,133	3,169	4,838	5,426	6,360	3,969	4,123	3,194	4,333	2,833	2,426	50,457	55,529	64,189
<u>Other Cash Flows/Payments by Type</u>															
Capital assets	3,128	3,054	3,875	4,825	6,285	4,097	6,875	8,239	5,380	4,849	3,376	1,996	55,979	53,896	49,599
Total Cash Payments by Type	6,780	9,187	7,044	9,663	11,711	10,457	10,844	12,362	8,574	9,182	6,209	4,422	106,436	109,425	113,789
NET INCREASE/(DECREASE) IN CASH HELD	33,334	(122)	(6,084)	(7,321)	21,668	(9,677)	(10,090)	(11,634)	12,245	(8,437)	(5,442)	(3,670)	4,770	7,173	10,972
Cash/cash equivalents at the month/year begin:	58,511	91,845	91,723	85,639	78,318	99,986	90,309	80,219	68,585	80,830	72,393	66,951	58,511	63,281	70,454
Cash/cash equivalents at the month/year end:	91,845	91,723	85,639	78,318	99,986	90,309	80,219	68,585	80,830	72,393	66,951	63,281	63,281	70,454	81,427

4.16 KZN271 Umhlabuyalingana - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs./ MThs	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organization		Number			R thousand
Office Machine Rental	Yrs.	5	Nashua	30 June 2016	15
Office Machine Rental	Yrs.	3	Nashua	30 June 2014	156
Office Machine Rental	Yrs.	5	Nashua	30 June 2016	29

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4. 17 KZN271 Umhlabuyalingana - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		6,428	10,267	8,262	52,044	44,586	44,586	40,264	36,439	37,580
Infrastructure - Road transport		5,343	10,267	8,262	16,557	10,926	10,926	31,364	21,439	21,580
<i>Roads, Pavements &amp; Bridges</i>		5,343	10,267	8,262	16,557	10,926	10,926	31,364	21,439	21,580
Infrastructure - Electricity		–	–	–	17,000	9,337	9,337	5,000	15,000	16,000
<i>Transmission &amp; Reticulation</i>					17,000	9,337	9,337	5,000	15,000	16,000
Infrastructure - Other		1,086	–	–	18,487	24,323	24,323	3,900	–	–
<i>Waste Management</i>					4,000	1,500	1,500	–	–	–
<i>Other</i>		1,086	–	–	14,487	22,823	22,823	3,900	–	–
<b>Community</b>	3	–	409	–	4,386	3,039	3,039	11,850	16,221	10,042
Sports fields & stadia		–	409		2,159	2,159	2,159	4,850	3,821	4,042
Community halls					1,051	304	304	–	6,200	–
Other					1,175	575	575	7,000	6,200	6,000
<b>Other assets</b>		1,508	12,484	1,823	16,697	17,070	17,070	3,365	786	1,502
General vehicles		243	–	1,255	720	652	652	750	–	300
Plant & equipment		–	95							
Computers - hardware/equipment		–	–		100	250	250	80	50	75
Furniture and other office equipment		194	–	568	334	484	484	1,435	600	1,127
Markets		–	–		273	–	–	–	–	–
Other Buildings		1,071	12,390		14,550	14,550	14,550	850	–	–
Other		–	–		720	1,135	1,135	250	136	–
<b>Intangibles</b>		–	–	–	–	–	–	500	450	476
Computers - software & programming								500	450	476
<b>Total Capital Expenditure on new assets</b>	1	7,937	23,161	10,085	73,127	64,695	64,695	55,979	53,896	49,599

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4. 18 KZN271 Umhlabuyalingana - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>	<b>1</b>									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		482	377	-	300	-	-	2,399	4,421	6,444
Infrastructure - Road transport		482	354	-	-	-	-	2,000	4,000	6,000
Roads, Pavements & Bridges		482	354					2,000	4,000	6,000
Infrastructure - Electricity		-	-	-	300	-	-	-	-	-
Street Lighting					300	-	-			
Infrastructure - Other		-	22	-	-	-	-	399	421	444
Waste Management			22							
Other								399	421	444
<u>Community</u>		-	-	-	-	-	-	60	63	67
Community halls								60	63	67
		849	436	207	650	550	550	692	731	770
<u>Other assets</u>										
General vehicles		420	127	78	180	180	180	230	243	256
Computers - hardware/equipment		1	41	41	100	50	50	50	53	56
Other Buildings		59	157	53	170	170	170	262	277	292
Other		369	110	35	200	150	150	150	158	167
		-	-	27	286	186	186	315	332	350
<u>Intangibles</u>										
Computers - software & programming				27	286	186	186	315	332	350
Other (list sub-class)										
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>1,331</b>	<b>813</b>	<b>234</b>	<b>1,236</b>	<b>736</b>	<b>736</b>	<b>3,466</b>	<b>5,548</b>	<b>7,631</b>

<i>R&amp;M as a % of PPE</i>		2.6%	1.1%	0.3%	1.7%	1.1%	1.1%	6.3%	10.6%	15.8%
<i>R&amp;M as % Operating Expenditure</i>		4.4%	2.9%	0.7%	3.0%	1.9%	1.9%	6.7%	9.7%	11.6%



## 4.19 KZN271 Umhlabuyalingana - Supporting Table SA35 Future financial implications of the capital budget

Vote Description  R thousand	Ref	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
<b><u>Capital expenditure</u></b>	1							
Vote 1 - Council and Executive		-	-	-				
Vote 2 - Budget and Treasury		2,565	1,000	1,727				
Vote 3 - Corporate and Community Department		550	236	250				
Vote 4 - Planning and Development		52,864	52,660	47,622				
<b>Total Capital Expenditure</b>		<b>55,979</b>	<b>53,896</b>	<b>49,599</b>	-	-	-	-
<b><u>Future operational costs by vote</u></b>	2							
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b><u>Future revenue by source</u></b>	3							
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		<b>55,979</b>	<b>53,896</b>	<b>49,599</b>	-	-	-	-

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4.20 KZN271 Umhlabuyalingana - Supporting Table SA36

Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	ID P Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS coordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
R thousand	4				6	3	3	5								
<b>Parent municipality:</b> <i>List all capital projects grouped by Municipal Vote</i>																
<b>Finance Department</b>		<b>Furniture and Equipment, Computers</b>			No	<i>Other Assets</i>	<i>Furniture and other office equipment</i>		1,885	484	2,565	600	1,127		Municipal Offices	New
Finance Department		Vehicles			No	<i>Other Assets</i>	<i>General vehicles</i>		750	652	750	–	300		Municipal Offices	Renewal
Technical Services		Mbazwana Roads			No	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements &amp; Bridges</i>		7,047	7,047	2,000	50	750		Municipal Offices	Renewal
Technical Services		Thandizwe Road			No	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements &amp; Bridges</i>		5,334		5,334	450	–		Municipal Offices	New
<b>Technical Services</b>		Nsukumbile Road			No	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements &amp; Bridges</i>		8,334		8,334	–	–		Ward 4, 8	New
Technical Services		Khiphimbzo Road			No	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements &amp; Bridges</i>		1,667	1,457	1,667	–	–		Ward 15	New
Technical Services		Hlomula Road			No	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements &amp; Bridges</i>		6,000		6,000	–	–		Ward 10	New
Technical Services		Mabibi Access Road			No	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements &amp; Bridges</i>		4,030		4,030	–	–		Ward 5	New
Technical Services		Mseleni sportfield			No	<i>Community</i>	<i>Sportsfields &amp; stadia</i>		2,350		2,350				Ward 5	New
<b>Technical Services</b>		Zamazama sportfield + Manaba Sportfield			No	<i>Community</i>	<i>Sportsfields &amp; stadia</i>		2,500		2,500				Ward 6	New
Technical Services		Madonela Electrification Project			No	<i>Infrastructure - Electricity</i>	<i>Transmission &amp; Reticulation</i>		5,000		5,000				Ward 2	New
Local Economic Development		Manguzi Market Stalls			No	<i>Infrastructure - Other</i>	<i>Markets</i>		7,000	13,500	7,000				Ward 17	New
<b>Local Economic Development</b>		Small Town Beautification			No	<i>Infrastructure - Other</i>	<i>Parks &amp; gardens</i>		2,000		2,000				Ward 17	New
Community Services		Municipal Skips =+ Traffic			No	<i>Other Assets</i>	<i>Other</i>		250		550				Municipal	New

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															Offices	
Technical Services		Station			No	Infrastructure -	Roads, Pavements &		4,000			4,000			Ward 1 &	Renu
Technical Services		Manguzi Roads			No	Road transport	Bridges		1,900			1,900			17	wal
Technical Services		Vehicle Testing Station				Infrastructure -	Other									
Parent Capital expenditure	1											55,979	1,100	2,177		

### Overview of Municipal Financial Policies

The municipal has developed financial policies to ensure financial management and internal controls within the finance department and organisation as a whole. These policies serve as a guide in implementation of service delivery and code of conduct.

The municipal has reviewed the following policies:-

- Budget Process policy
- Asset Management policy
- Credit Control and Debt Collection policy
- Municipal Property rate policy
- Supply Chain Management policy

During the Current financial year the municipality has developed new policies which are as follows:-

- Indigent Policy
- Investment and Cash Management policy
- Fraud Prevention Management policy

These policies have been developed because indigent communities have to be identified by the municipality and fraud prevention policy must be established to prevent fraudulent activities with the organisation.

The above policies were table before municipal council and there were adopted and approved by council on the 14 of December 2011.

## LEGISLATIVE COMPLIANCE STATUS

Municipal Finance Management Act, No 56 of 2003 became effective on 01 July 2004. All the municipalities were accepted to comply with the Act. The MFMA introduced the significant changes in the financial management of local government.

The municipal budget preparation has since there change in different presentation as National Treasury always come up with the new budgeting and reporting methods. The municipal budget must to be presented in to multi years, showing the past three audited years, current year and the Medium Term Revenue and Expenditure Framework as it is presented in the budget regulations.

Section 23 of Municipal Finance Management Act, No 56 of 2003 requires the communities within the municipality to be part of Integrated Development Plan and Budget processes. The local communities can also monitor the performance of the municipality through the regular reporting of the Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP and performance contract of Municipal Senior Managers are prepared at the same time as the budget.

This budget document also highlights the key performance area of the municipality in the current year 2012/2013 Budget Year. The municipal Senior Managers and the municipal manager are accountable for the targets that are set in **attached ANNEXURE** of this document. The municipal budget has been prepared taking into account the content of the Municipal Budgeting and Reporting as set out in circular 58 and 59 of the MFMA received from National Treasury.

Umhlabuyalingana municipality has summarized the following key budget reforms:

- Focus on performance measurement system
- Alignment of IDP, Budget and SDBIP
- Clear link of Allocation
- Establishment of new audit committee
- Strengthening of SCM processes and policies
- Improvement in the in-year reporting to PT and NT
- Improve financial management

The municipality has also considered the other local government legislation. Those legislation are as follows

- The Division of Revenue Bill 2012
- Municipal Systems Act No 32 of 2000 together with the Municipal Systems Amendment Act No 44 of 2003

The Division of Revenue Bill is issued annually by National Treasury in February, it provide the municipalities with the three year allocations from National Government. The Provincial Departments also allocate the funding to municipalities by means of provincial gazette.

## Quality Certificate

I, **SIBUSISO EMMANUEL BUKHOSINI**, The Municipal manager of **UMHLABUYALINGANA MUNICIPALITY**, hereby certify that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print name: SIBUSISO EMMANUEL BUKHOSINI**

**Municipal manager of UMHLABUYALINGANA MUNICIPALITY (KZN271)**

**Signature: .....**

**Date: .....**

## **MUNICIPAL CONTACT DETAILS**

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KWANGWANASE

3973

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